

**ECONOMIC DEVELOPMENT, AGRICULTURE,
AND RECREATION COMMITTEE**

Council of the County of Maui

MINUTES

March 5, 2009

Council Chamber

CONVENE: 1:38 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Jo Anne Johnson, Chair
Councilmember Sol P. Kaho'ohalahala, Vice-Chair
Councilmember Gladys C. Baisa
Councilmember Michael J. Molina (Out 4:39 p.m.)
Councilmember Joseph Pontanilla (In 1:59 p.m.)

NON-VOTING MEMBERS:

Councilmember Michael P. Victorino (Out 2:04 p.m.)

STAFF: Lance Taguchi, Legislative Analyst
Tammy M. Frias, Committee Secretary

ADMIN.: Deidre Tegarden, Economic Development Coordinator, Office of Economic
Development, Office of the Mayor
Milton Arakawa, Director, Department of Public Works

OTHERS: Jeanne Unemori Skog, President & CEO, Maui Economic Development Board, Inc.
Jocelyn Perreira, Executive Director, Wailuku Main Street Association,
Inc./Tri-Isle Main Street Resource Center
Nancy Johnson, Allied Health Program Coordinator, Maui Community College
Warren Watanabe, Executive Director, Maui County Farm Bureau
May Fujiwara, Aging with Aloha Coalition; Lahaina-Honolua Senior Citizens
Club
Christina Demello
Kathleen Mumford, Instructor, Nursing/Allied Health Department, Maui
Community College
Jane Manalili
Bernabe U. Manalili
Edward Smith
Constance Williams
Donna Jorah
Lois Greenwood, VITEC Director, Maui Community College
Joyce Yamada, Coordinator, Dental Assisting Program, Maui Community College
Christy Pascua

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Camille Zukeran
Anne Trygstad
Others (5)

PRESS: *Akaku--Maui County Community Television, Inc.*

ITEM NO. 8: ECONOMIC STABILIZATION (C.C. No. 09-31)

CHAIR JOHNSON: ...*(gavel)*... The Economic Development, Agriculture, and Recreation Committee meeting of March 5, 2009 will come to order. I'd like to acknowledge the attendance of the Members of my Committee. I'm Chair Jo Anne Johnson. We have present my Vice-Chair Sol Kaho'ohalahala. Thank you for your attendance. We have Committee Member Gladys Baisa. Thank you for attending.

COUNCILMEMBER BAISA: Good afternoon.

CHAIR JOHNSON: We have—and good afternoon. We have Committee Member Michael Molina.

COUNCILMEMBER MOLINA: Good afternoon, Madam Chair.

CHAIR JOHNSON: Thank you for attending. Mr. Joseph Pontanilla is excused and we have one of our other Members who is attending. He's not a member of this Committee, but we welcome Mr. Victorino to the proceedings. Thank you very much.

COUNCILMEMBER VICTORINO: Good afternoon. Good afternoon, Madam Chair.

CHAIR JOHNSON: Yes. And with our Staff today, we have Lance Taguchi and Tammy Frias. And I will introduce our resource people that we have present today. We have our head of Economic Development, our Coordinator, and that is Ms. Deidre Tegarden. We have from Maui Economic Development Board, Ms. Jeanne Skog. Thank you for coming, Jeanne. We have Ms. Jocelyn Perreira with the Wailuku Main Street Association--

MS. PERREIRA: Tri-Isle.

CHAIR JOHNSON: --Tri-Isle Main Street Association. I'm so used to that, Jocelyn. *(Chuckles)* We have Nancy Cross [*sic*] who is with Maui Community College, head of the Nursing program. And last but not least, we have Mr. Warren Watanabe who's with our Maui County Farm Bureau. So I thank you for attending.

The issue that we have on our docket today is a continuation of the conversation that we had earlier which was a panel on economic stabilization. Unfortunately, last time, because if we'd had all the panelists for all the various segments that we needed, we would not have been able to

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conclude our meeting in the time allotted. So I felt part of the focus, too, of this meeting is to emphasize many of the positive things that are going on in our community but also reiterate what are the challenges facing our business community. What are the challenges facing our community with regards to economic stabilization and stimulus. And what can we as Council Members do and what the community can do at large. So, Members, I thank you for your attendance.

We have ten testifiers set to testify. The way that I'm going to do this meeting is identical to the way that we did the last meeting. If there are any members in the viewing audience, you know, that are present today that have to leave and that cannot stay for the completion of the panel's presentation, I would ask that you just identify yourself. And so far I have one person that's identified themselves. They will be asked to give their testimony. However, I would like the Council Members who are participating in this to reserve their questions for later. And following the presentation of the panel members, I would then at that point in time allow the testimony to take place. So that, in other words, the members who have come forward to testify in support of whatever issues, or if you give us creative suggestions, you will then have an opportunity to hear the panelists. So if you can add anything to what they've said, you'll at least be able to, you know, receive that information and participate. And then following that I will allow the Members to begin questioning the panelists. So are there any questions? Seeing none, there is one individual who is requesting—and this is Ms. Joyce Yamada—she is requesting to testify at this point in time. So if there's no objections, we would receive the testimony of Ms. Yamada.

COUNCILMEMBER BAISA: No objections.

COUNCIL MEMBERS: No objections.

CHAIR JOHNSON: Okay. Thank you. Ms. Yamada, you will...if you could please state your name for the record and then you will have three minutes to testify with one minute to conclude.

...*BEGIN PUBLIC TESTIMONY*...

MS. YAMADA: Hi, my name is Joyce Yamada. And I'm the Program Coordinator at the Maui Community College Dental Assisting Program. And thank you all for your support of our students and our program. And through your help, we were able to establish and maintain the Maui Oral Health Center. The Maui Oral Health Center is an integral part of our program and is part of our accreditation process. And at the Center besides serving the underserved and people who have no insurance, we also have hands-on training for our students. And that's a very important part of our program. And recently two local dentists hired two of our students for part-time. And I have two more requests for two more students when they graduate in May. So we...there's quite a need for dental assistants and also dental hygienists. And thank you in advance for your continued support.

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CHAIR JOHNSON: Thank you very much, Ms. Yamada. Are there any questions for the testifier? Seeing none, thank you very much, Joyce. I appreciate that. We do have one additional individual who has asked to come forward and give their testimony before the presentation. And that is Ms. Constance Williams. So if Constance could come forward.

MS. WILLIAMS: Good afternoon.

COUNCILMEMBER BAISA: Good afternoon.

MS. WILLIAMS: I am a registered nurse and I'm employed at Maui Community College thanks to the Maui County funds. So I...my position, along with another co...co-worker, instructor, we have been able to make a great...difference in the community, I...I believe. I started my position one year ago. And in that one year, I was able to touch and help, I should say, help educate 116 students, 24 of those I oversaw at Maui Memorial Hospital. And just in one year—I just wanted to share with you because you guys have helped us with funding and having my position—we have helped educate and make a difference to over 240 Maui County family members and patients, our citizens. And so I want to thank you so much for allowing me to make a difference in Maui and I hope that...that that will continue. So just thank you very much.

CHAIR JOHNSON: Thank you very much, Constance. Are there any questions for Constance? Seeing none, thank you. And thank you for your work.

MS. WILLIAMS: Thank you.

CHAIR JOHNSON: There are two additional individuals who asked to come forward to testify before the panel members present. Ms. Christy Pascua and she'll be followed by Camille Zukeran.

MS. PASCUA: Hello, my name is Christy. I am a student with Maui Community College. I graduated a couple years ago from the Dental Assisting Program. And now I'm gonna be a dental hygiene student. I just wanted to thank you all for your support, first of all. And I think it's such...the Maui Oral Health Center is such a great need for the community. I also work at the Maui Oral Health Center. And I have seen how much it has...it has helped everyone here. And as a dental hygiene student, I'm so happy now that we have a place to practice. That's all.

CHAIR JOHNSON: Thank you very much. Are there any questions? Thank you. And Ms. Camille Zukeran.

MS. ZUKERAN: Hi, my name is Camille. I'm a Dental Assisting Program at Maui Community College. I've...this is my second semester at the Maui Oral. This program has really helped me because...actually Joyce came to one of my classes in Biology and she gave a presentation about dental assisting. And I wasn't actually wanting a career in dental assisting, but once I heard her give her talk about how interesting and how much you learn about taking care of people, helping them with their oral health, so that...I figured that's something I wanted to do and help others

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with. And the dental assisting, they help us with so much, Joyce and Dr. Yana, Christy and others. They help us teach with so much. And the Maui Oral, it helps provide us students, like, interacting with real patients. And they teach us a lot of things. And we also...that's where we do our labs at the Maui Oral. And the dentists also helps out a lot, too, where they come in, teach us. Yeah. Thank you.

CHAIR JOHNSON: Thank you very much. Are there any questions for Camille? Thank you very much, Camille.

...END OF PUBLIC TESTIMONY...

CHAIR JOHNSON: Members, you know, this is to continue the saga of our economic challenges that we face here in Maui County. And I...I wanna thank also the Administration for working with us and providing some additional information to us. I...I have an additional resource person that I forgot to acknowledge which is also Mr. Milton Arakawa who last time, if you recall, there were many, many questions regarding the permitting process. So we have him available to answer questions, and he also has some information which he has received on economic stimulus. So I really appreciate that. I think that the panelists today are gonna shed additional light on some of the creative ways that they are dealing with the challenges in every aspect of our community. And I hope that we'll all learn something so that we can bring all this collective intellect together and find solutions to the problems that we have. So without further ado, I'm going to allow Ms. Deidre Tegarden to open with her comments.

MS. TEGARDEN: Thank you. Good afternoon, Committee Chair Johnson and Members. Excuse me. Thank you for the invitation to be here again for the second panel discussion. I won't repeat my message from the week before last. But as I did share at our last meeting, the Office of Economic Development will award over \$10 million worth of grants this Fiscal Year in the areas of culture, arts and tourism; workforce, business development and technology; agriculture; environmental resource protection; and renewable energy. I want to acknowledge that three of our larger grantees are here this afternoon, Maui Economic Development Board, the Maui County Farm Bureau and the Maui Community College. And that it is such a pleasure to work with these organizations. As I shared last time, OED awards money to organizations that create jobs, diversify our economy, preserve our resources, train our youth, and provide new opportunities for our residents. These three organizations are perfect examples of the...public/private partnerships and are...why together we are ensuring Maui County a jumpstart on the economy when it begins to rise again.

The issues that we face in Maui County are not limited to us. I was actually listening to Hawaii Public Radio the other morning and they were talking about a segment in France and how France is right now having trouble getting their youth involved with agriculture, and how only now they're starting a program that is educating the youth on the opportunities in agriculture. And it reminded me that the Maui County Farm Bureau has been doing that for the last several years

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through their Ag in the Classroom program which we are very happy to help fund. Another portion of the segment was talking about individuals who had left certain provinces and how France is trying to get these individuals back to, you know, keep all of the bright and the best at home, very similar to Maui Economic Development Board's Kama'aina Come Home program.

Since our last panel discussion, we have seen economic changes such as the additional layoffs at Maui Land and Pine. And while this phrase seems to be overused, now more than ever, is when we really need to hui and work together to come up with positive solutions to make sure we are doing the most for our community. Working with our partners and utilizing each other's skills is what's going to ensure Maui's economic and social stability. So, again, we look forward to working with this Committee, with the Council Members. And thank you for the opportunity to be here this afternoon. Mahalo.

CHAIR JOHNSON: Thank you very much, Deidre. Before I present our next panel member, I'd like to also acknowledge the attendance of Member Joseph Pontanilla. Good afternoon.

COUNCILMEMBER PONTANILLA: Good afternoon.

CHAIR JOHNSON: I know we...we had a meeting prior to this that ran a little bit late, so all of us are, I guess, a little scattered because it's very difficult to just go from one subject matter to another. So I thank my Members. Our next presenter is someone who has a very long history in supporting the technology industry and certainly working with Economic Development. So I'd like to present Ms. Jeanne Skog of Maui Economic Development Board. Thank you, Jeanne.

MS. UNEMORI SKOG: Thank you, Madam Chair and Committee Members. I...I did have a...I think you have packets at your desks and I will be referring to pages in there as I go along. So I'll...I'll clue you in on which pages.

So, again, thank you for the opportunity to share what MEDB is doing in the current economic climate and what else we can do. Just a brief...preface. MEDB was created in 1982 as a community response to potential economic downturns. A United Airlines strike that occurred in late '70s was fresh on the minds of our founders. MEDB was structured then to assist the County in shaping a more balanced and resilient economy. Today we are 35 board members from business, government, academia and the community at large; 24 staff members; and numerous public and private partnerships and alliances. As shown on page 2, our mission, our charge has been and continues to be about strengthening the economy by diversifying it and giving our residents the choice to live and stay in Maui County. Five program goals guide our actions. I will spend a few minutes describing what we are already doing to put the comments about what else we can do in context.

Program Goal One on Page 3 reflects the priority we give to honoring the grassroots participation of the Focus Maui Nui process which gave voice to our community's values and priorities. We continue to engage residents in decisions about the economy and to build

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awareness of choices as well as the tradeoffs inherent in those choices. Outreach is a key component, whether through our weekly Maui news column shown on Page 4 or participation in the County Fair where we survey to check the pulse of the community on key issues or...our newly launched Facebook. We also work to perpetuate the values through...of Focus Maui Nui through the Youth Alliance Program depicted on Page 5 and the Ka Ipu Kukui Young Leaders Program that they...we do jointly with Decisions Maui.

Program Goal Two on Page 6 is about the innovation clusters we are targeting. Turning to Page 7, innovation for us refers primarily to research and development activities which include but are not limited to astronomy, optics, information systems and agri-technology. More recently a critical mass of renewable energy companies represented on Page 8 are harnessing Maui's potential in wind, solar, ocean and biofuels. These clusters offer bright spots in our economy. Pacific Defense Solutions, a homegrown company, is adding a 17th and 18th employee as we speak. Pacific Disaster Center is now exporting disaster management tools to an international customer base. And Akimeka, a native Hawaiian-owned company headquartered on Maui, is growing and plans to be at 85 employees by late summer. Diversifying means building the infrastructure, the ecosystem that allows these businesses to survive and then thrive.

Page 9 could just as well be titled "Whatever It Takes". We tailor our assistance to the specific needs of each company that we meet. Additionally Maui, MEDB has led the way in creating places for technology growth, initially developing the R&T Park with...with the private sector. And most recently, our own 34,000 square foot building now home to MEDB and several tech companies.

Results of our community's collective investment are captured in a timely report on the innovation sectors in Hawaii. MEDB, along with the other EDBs in the State, assisted in the study. Some highlights about Maui are on Page 10. These innovations sectors contribute 155 million to Maui's economy per year. Employment growth in the tech sectors outpace the growth in the overall economy. Nearly 2,000 residents are now employed by high tech on Maui. They earn \$69,000 per year on the average and over 20 percent of that workforce are now kama'aina, that is those who hold a Hawaii high school diploma. These sectors draw science and tech visitors to Maui as well. The impact is conservatively estimated at over 11,000 room nights per year totaling an additional 2.3 million per year.

Program Goal Three on Page 11 refers to a critical element in the infrastructure support, new sectors...to support new sectors in our economy--that is workforce--and working to re-tool our workforce, transforming it so it can support these innovation sectors. The demand shown on Page 12 also represents an opportunity for us. This is why more than half of MEDB's program resources goes to creating a pipeline of students prepared for 21st century employment. Our partners regularly commend our County for having the foresight to invest in education and workforce development, an investment that continues to be leveraged ten to one by Federal, State and private funding.

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Page 13 outlines programs we've piloted to transform the learning environment where students work in teams on a real world problems, become accomplished in high end technology used to build solutions for the community, including obtaining the skills needed for a green economy. We provide professional development training for 100 teachers a year. By educating the educator, we invest now in our future with an impressive multiplier effect. MEDB reaches 6,500 students, teachers and businesses statewide per year.

Program Goal Four on Page 14 addresses the active role we take in dialogues on policy and in sharing our perspective on key legislation such as Act 221, Act 215 on tax incentives for high tech companies. We serve as a portal and source for numerous briefings throughout the year, for example, to congressional committees, Federal agencies such as the Department of Energy, State House and Senate committees, and prospective public and private funders and investors. Our staff serves on boards of numerous community organizations to inform and to be informed firsthand about where the needs and opportunities are in our community.

Research in its many forms has always been a part of MEDB's history. A few years ago, our Board adopted Goal Five described on Page 15 to further assist decision making in the community. Over the past three months we have been assessing the state of entrepreneurs...on Molokai. The result of this study will be submitted to the County for dissemination and should trigger definitive actions as a result. We will be developing in the coming months, as well, a tool for evaluating various scenarios relating to water resources. We publish and present papers annually to share our best practices on science, tech, engineering and math education and workforce initiatives.

So, with that backdrop, I'll share some comments on the question of what else we can do to help the County in the current situation. MEDB formed a special committee on...to focus on economic recovery. The committee sessions are quite strategic and are identifying where else MEDB could add value in short, medium and long-term solutions. We are already pursuing some of these solutions. Others will depend on finding resources and other partners.

We already have extensive experience in Federal funding, contracting and management as shown in the multiple sources that fund us on Page 16, which ties into the summary on Page 17 of where we could add value. We see preparing for the stimulus funding as a major priority. We can extend our experience in Federal funding to support the County. We can also tap tech companies who are already very familiar with Federal government contracting to help craft some of the competitive applications that will come before us. Collectively we can help the County stimulus team...prioritize a list of shovel-ready projects which, I understand, has been developed. Underlying all of this is the urgent need to streamline the permits approval and contracting process. We understand that the Administration has a taskforce that is addressing this and we would be very willing to assist based on community input we've received.

We will be updating the Comprehensive Economic Development Strategies for the Economic Development Administration which will pave the way for construction, planning and training

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funds into the community. EDA is one of the agencies that stands to get a huge in boost in funding from the stimulus and the proposed Fiscal Year '10 Budget. We can use our existing business attraction tools and education workforce systems to position Maui County for new economic opportunities. We are assisting small businesses with obtaining designation as a small business within the Federal contracting process which also opens up new opportunities for them.

MEDB's committee is looking at specific strategies for Molokai and Lanai that have been brought to our attention. For Molokai, specific areas include diversified agriculture, transportation improvements, community projects which could be candidates for stimulus funding, visibility for Molokai businesses—or I should say more visibility—and preparation for the Father Damien pilgrimages this fall. For Lanai, the Lanai Women's Center and its recently formed federally qualified health center provides a new...economic driver for that community. Revitalizing the ag park and also exploring information systems jobs...information systems-based jobs also have promise. We can utilize the outreach networking and civic engagement strategies of Focus Maui Nui to expand community access and understanding of stimulus legislation and its opportunities and to help build community consensus for infrastructure projects that are deemed priorities for our community.

This is a very challenging time, but it is also a time of opportunity. This is precious time to re-think what and how we are doing things, to be creative, to invest today to assure that we will have the future we want tomorrow. We are confident as an organization that we can come out of this stronger than we have ever been. Thank you.

CHAIR JOHNSON: Thank you very much, Jeanne. It was really very comprehensive and the handout was very helpful as well. We have our next presenter and I think everyone in this Council knows Ms. Perreira for her many years of work, and Ms. Jocelyn Perreira is Executive Director for Wailuku Main Street Association/Tri-Isle Main Street Resource Center. So, Jocelyn, thank you for participating.

MS. PERREIRA: Aloha. Good afternoon.

CHAIR JOHNSON: Aloha.

MS. PERREIRA: We did not prepare a comprehensive report at this time because we were told to answer it more in brief. So you will be getting packets later with... that details a lot of the work that has been done relative to small towns. But what I did share with you today in this blue folder is a program...an outline of what we're discussing here today. The first part includes a program overview, highlights current activities, stabilizing the economy from a small town perspective and status in our small towns, and then recommendations for improvements followed up by concluding remarks. So I will do the best I can with the amount of time we've been given here. I do wanna say that it is really neat that small towns, it's cool to be small towns now. And everybody is seeking in Maui County to have the values that you see developed in the small

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towns. They're searching for it and small town values are what's gonna get us out of this tough, tough economic slump.

Our program was founded more than 23 years ago. It is a non-profit 501 (c)(3) community-based organization comprised of residents, merchants, professionals and small town friends that have a pure love of small towns. It was supported then to aid and assist in revitalization initially with Wailuku town by Mayor Hannibal Tavares and then...and also the Maui County Council. They have subsequently supported us and we've leveraged government dollars responsibly to achieve important results and to lay a solid foundation for long-term revitalization. Our website is www.mauitowns.org. You can take a look at some of the comprehensive accomplishments and results of the work. Beginning in 1987, the program was certified...the Tri-Isle Main Street program was certified by the Historic Preservation Division of the State Department of Economic—I mean, Land and Natural Resources and supported for...support for this program is in the State's Historic Preservation Plan. The Hawaii program was modeled after the National Main Street Program, but it has been adapted to meet the unique needs of our Maui County small towns that include, also include important aspects of our Hawaiian value system.

Our mission is to foster, promote, maintain and encourage the civic, social, cultural, economic, and environmental welfare for all of Wailuku and other small towns in Maui County with historic fabric. The organization has twin goals, economic revitalization within the context of historic preservation. This is accomplished through education, pro-active community-based planning, providing technical resource assistance, cutting-edge strategies for long-term revitalization and viability and, most importantly, a network of well-respected community leaders and volunteers who possess a wealth of knowledge. . . (*end of tape, change to Tape 1B*) . . .along with highly regarded professionals from a wide spectrum of career paths and a small but dedicated staff that supply the "hands on" and the "boots on the ground" in support of preservation and revitalization of the traditional small towns in Maui County.

Today, the Tri-Isle Main Street headquarters is in the town of Wailuku and maintains affiliations with towns like Paia, Makawao, Haiku and upon request provides assistance to other communities, also affiliates Lanai City, Hana, Kula, Waikapu and Waihee and stands ready to support community-based initiatives on Molokai.

Highlights of some of our current activities are facilitating the participation of a groundswell of grassroots participation in the General Plan Update so that every voice is counted and every voice possibly can be heard. Providing assistance in the implementation of each community's respective Community Plans. Comprehensive design reviews and project consultations. Proactive support for mixed use, infill development, sustainable new development that reinforces the viability of our traditional small towns. We have and provided community and business assistance on issues identified as hot kitchen table subjects, stats, data collection and aid in...in talking about what is urgent and what needs to be discussed whether it be gas prices to health concerns to you name it. Participating with the Mayor's Wailuku Parking Structure Stakeholder's Committee and the Maui Redevelopment Agency is an important thing that has

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been ongoing, and it is the most important public works project for Wailuku Town that will help to spur long-term revitalization. Completing work on our Makawao Restoration, Safety and Streetscape Beautification Plan, Phase III after many years of hard work with this community to provide better and safer pedestrian access with connections to the municipal parking lot, and as envisioned in the conceptual town square master plan so you have a connection between Makawao Avenue and Baldwin Avenue. Investing in physical improvements in our small towns improves public safety and makes good economic sense for the short and the long term.

We are also completing work on updated Haiku design guidelines that will feature elements that help convey Haiku's unique sense of place. It is important for...to plan for the growth of our small towns and to provide good guidance for future projects that reflect each town's unique characteristics. We are developing a conceptual plan for Baldwin Beach Park improvements in Paia to accommodate diverse user groups and functions so we can utilize...better utilize and capture additional opportunities for revenue generation.

Stabilizing the economy for small towns, despite serious concerns in a downturned economy, the small towns are surviving by eking out a meager living. Those who understand the dynamics of a small town place value on customer loyalty, share their love and affinity for the unique small town lifestyle, know how to meet and overcome what often appear to be insurmountable challenges. By making adjustments to do business differently, by responding to both the resident and the visitor needs enable these small towns to survive over the long haul. Those who understand changing demographics, discretionary spending habits are able to fill their customer's wants above and beyond their fixed expenses will survive. Those willing to cater to or fill a special request for goods or service that provides an important niche makes it work.

Finally, by working with their employees to ensure the personal service with aloha, purchasing quality goods, sharpening their pencils to provide good value are retaining their share of the market. But even with this, these small towns need your help. They...needs to be reinvestment into the product, not only the marketing of it, but the product which is the town themselves. Now is the time to paint up, fix up, upgrade infrastructure, provide amenities and access to vital part of our County's economic engine. As we set to reinvest and set out the welcome mat, we are in fact lending every...letting everyone know that our small towns are open for business.

In addition to aggressive marketing events that draw people to destinations, we recommend the following five improvements. Expedite capital improvement projects in small towns to improve the safety and meet the future growth that is expected. These towns have antiquated infrastructure and they need to upgrade--their infrastructure is 50, 60, sometimes 70 years old--and they need to upgrade immediately to be competitive in the marketplace.

Streamline—I know we all heard this—and expedite the permit review process. These projects need to not only be “shovel-ready”, but they need to be lined up and sitting on the self...shelf ready to go if one project, for some reason, cannot go forward.

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Continue to support marketing and promotional initiatives and we stand ready and we are interfacing with the industry, visitor industry by attracting those from our neighbor islands and across the nation and the world who have a pure love and affinity for our small towns. And we ask you to think of setting up a pilot project for small towns to provide business property owners with a subsidy to install energy conservation improvements such as solar, photovoltaic systems, et cetera.

And continue to support program initiatives like our local Main Street programs that has been so responsible for stretching the government dollar by utilizing the pro bono services of those who see the value of the program. Our program is housed with the Department of Planning, unlike my other three counterparts here who received the support from Ms. Tegarden in her statement.

Concluding remarks, history has shown us our economy takes a dip every 10 years or so. Let's view this time as an opportunity to better position Maui for the future. It's important to focus on improving infrastructure to meet future needs, especially water storage and supply. Provide assistance to the small town, traditional towns to help them plan their preferred future. Retain and reinforce their uniqueness, their unique sense of place. Preserve the cultural traditions, the lifestyle and place value and priority on the irreplaceable, our small towns.

Finally, it's a matter of attitude, not altitude. It's a can-do attitude, that together we are in this and we are going to get out of this, but only if we have the courage to make the changes, to make the decisions that are necessary; to turn the positives into the negatives, but also how we get out of this adversity is equally important. The way we treat each other and the way we share limited resources. So, please continue to promote Maui County and its small towns as a great place to visit and experience. Mahalo.

CHAIR JOHNSON: Thank you very much, Jocelyn. I really appreciate that. It's, you know, it's kind of like returning to the small towns is the way that many people years ago solved many of the economic problems that they had. So I think many of the solutions lie with our small towns. So I thank you very much. And I...earlier I apologized to Nancy Johnson because I called her—I misstated her last name. I really apologize. But, actually Nancy did do a wonderful job last time giving us some bright spots for Maui Community College for the Nursing program for our Maui Community College. So if you would do your presentation, we...we really appreciate it. And I know that she's gonna share some more good news with us.

MS. JOHNSON: Thank you. Well, we fall in the category of economic development in two ways.

CHAIR JOHNSON: Oh, use your...use your mic. Yeah, sorry.

MS. JOHNSON: We definitely diversify the economy and I'll talk specifically about some of those ways. And I am actually representing MCC, although I have most expertise in Allied Health. But I'll be happy to answer questions in other areas. The other way is, of course, the education of Maui's young people and opportunities for them both to stay on Maui and maybe to go

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somewhere else to share their profession. We receive money from Economic Development in two major projects. One was the expansion of the Allied Health Program which included funding for the...for two nursing faculty positions, funding for development of our Oral Health programs, dental assisting and dental hygiene, and funding for the Maui Oral Health Facility which provides oral health access to care for the approximately 30,000 people on Maui who do not have private dental insurance. They have either Medicaid or they're uninsured. Last year we did 10,000 patient visits at the Maui Oral Health Center. Those 10,000 patient visits weren't available if we didn't have the funding from the County.

The other project is the Long-Term Care Aging with Aloha Project that's coordinated by Rita Barreras who isn't able to be here today. But...and our focus at Maui Community College in that is to provide education for personal care, nurse aide individuals. And I brought a couple of things in my handout to show you. The first one is a picture off of Yahoo which says, "Careers That Fight Recession". And it lists six of them, personal and home health aides, dental hygienists, registered nurses, physical therapists, mental health and substance abuse counselors. Now, of those Maui Community College prepares all except physical therapists who are, in our State, are prepared on Oahu at Kapiolani Community College. It really outlines the fact that all of these careers are scheduled to grow.

The other thing I wanted to mention is that health care has another important economic impact. If Maui doesn't have good health care or, at minimum, adequate health care, it will have a tremendous impact on our major economic engine which is tourism. All we need is something on the news about somebody not being able to receive adequate care on Maui because they weren't enough nurses or there wasn't adequate access, for example, to our ER for it to impact the people who decide to come to Maui. So I think it affects—and not only providing jobs for our young people and providing care providers to care for us, which is my next topic—but it also affects the individuals who wanna visit here. They wanna visit here because they know there's adequate health care on Maui.

There's three factors that affect how many health care providers you need in a community. The first one is how many people there are in the community. The population on Maui is scheduled to grow 24 percent in the next ten years. The second factor is the age of the population. By 2010 or 2020, 25 percent of Maui's population will be 60 years or older. And the third one is one that shocks me every time I look at it. And that's the age of the health care providers. And so I have this really awful diagram to show you. And you see that it has red and green and yellow. And it shows the number of...the age of nurses in Hawaii by county. And the red are the nurses like myself who are 60 or over. The green are the nurses that are 40 or over, 40 to 59. And the yellow, the very, very small yellow are nurses that are 40 or less. So what we have here are three very important factors coming together in a way that will tremendously impact access to nursing care on Maui.

I also have something from today's paper—a really exciting thing, in my opinion—but one that's gonna have a tremendous impact at the same time, and this is the approval of the West Maui

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hospital. They're going to add 65 beds. I...I did a rough estimate. I didn't look up their stats so I could be off on this. But I'm estimating that that's 35 to 40 new nurses that are needed by 2012 just to staff this hospital.

So I just wanna say how wise you've been to invest in health care providers. I provided you some other statistics from the Center on Nursing that basically validate what I've told you so...to prove that I didn't take these numbers out of the air. The Center on Nursing is very concerned about access to healthcare via nurses. And so they've provided some detailed discussion based on both State and national data about the numbers of nurses that Maui and Hawaii will need over the next 25 years. And basically it's the same as—in fact, this diagram came from the report.

Finally, I'd like to mention the fact that President Obama has listed health care as number...one of the four things he's concerned about because it's so important. And he's talking about cutting costs in health care and I believe that he'll be able to do that and that will happen. But it won't happen without health care providers. What I believe is gonna happen is a shifting in health care to...about how it's delivered and who'll provide the care. Certainly much of the care...much more of the care is gonna be provided electronically, which will mean that our nurses need to be very skilled in use of the computer and electronic means. Many...much of health care can be...provided by tele-health, electronically, similar to what HMSA is doing. The other thing that's gonna happen is that the shifting of health care will be to the home because facilities are very expensive to build and maintain and they're very regulated. And so the Long-Term Care Partnership in particular is preparing the number—if we were to search what health care provider in the whole system do we need the most of, it's nurse aides and home health aides. They...people are gonna stay at home, but they need someone to care for them at home. And so in absolute numbers, we need far more nurse aides than we do registered nurses or even physicians. So thank you. I'm happy to answer any questions.

CHAIR JOHNSON: Thank you very much, Nancy. And what we're gonna do...we're gonna take testimony after this...after your presentation. Then we're gonna open it to questions from the Council Members.

So our last presenter, but certainly not least, and something's that near and dear to my heart is agriculture here in Maui County. And many of you have heard the talk about sustainability and feeding our families and how we can have our victory gardens, that type of thing. Well, Warren Watanabe is no stranger to managing on a shoestring budget and trying to maximize as much as he possibly can out of the resources that we provide, and actually the other farmers have similar challenges. So, Warren, you know, I know that you've got some challenges ahead, but I really thank you for participating in this. And this is something that's very important to all of us. Thank you, Warren.

MR. WATANABE: Hi. Thank you, Chair Johnson and Members of the Committee. I wanna thank you for the invitation to be on this panel. I also would like to thank the County of Maui, the previous administrations and the current Administration, especially Ms. Tegarden here on the end of the

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table. Without their assistance, you know, Farm Bureau really couldn't do the programs that we do. Also, you know, Members of the Council, you know, we...we really appreciate your support.

To start off, you know, with agriculture I think there's some questions that we need to consider, like, where is agriculture on Maui? What is the health of agriculture on Maui? Does agriculture have a future? And how...how do we foster agriculture for the future? You know, I have a presentation and I...you know, all of you have copies of it that you can follow along.

But in the last ten years, the population from 1995 to 2006, the Maui population increased by 20 percent, and...and just it is...as it did statewide. However, in a...in a vegetable industry and melon industry in the State, if you look at that...the graph, Maui has actually declined in production. And that is a very disturbing trend. And as you can see in the graph, that the increase in production actually has occurred on Oahu when, you know, Oahu Sugar and the other plantations closed down. Diversified agriculture did grow overall across the State. But Maui has suffered. Another point out I wanna point out is that while value of farm products may have increased, you need to consider what is the value. And part of it is because of their popularity in the...in the Pacific regional cuisine, the hotels, the restaurants using local produce—and we really appreciate the support—but...but, however, it...it kind...may be kinda deceiving, because that increase had occurred and those products are of higher value than products that are grown for the retail market. And that is an important consideration. And as...as I mentioned earlier, the...the...the high production has occurred on Oahu and part of the reason for that is because of the accessibility to the market. You need to remember that Oahu is the major marketplace for...ranch production or for agriculture.

Some of the other things that are happening and, you know, we are very concerned at Hawaii Farm Bureau, State Department of Agriculture and even other departments across the State, one of the things that has decreased is our livestock industry which is a major concern. We are...have a bright spot with Maui Cattle Company. But I understand that the ranching industry is on the decline. Oahu has a severe shortage. Maui and the Big Island are probably the leading producers of cattle. Of course, you know, on the...on the Big Island you have Parker Ranch. A serious blow to Maui County has been the shutdown of Molokai Ranch. And I know the Council—and again, we appreciate the support of the Administration, the Molokai Slaughterhouse financed by the County. It's a facility that's state-of-the-art, but we need to utilize it. Just yesterday the Maui Cattlemen Association, we had a meeting with Young Brothers. As you know, Young Brothers is proposing a change in their sailing schedule. And the...actually they are proposing that the direct Maui-Molokai barge be cancelled. And that is a concern to the livestock people.

Also we have a decline in the hogs and milk production. As you know, Haleakala Dairy shutdown quite a few years ago. As far as poultry, we don't...we no longer have a...commercial egg production on Maui.

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Some of the other things that are happening...lot...there's a lot of discussion on renewable energy, biofuel production. And for this, for Maui we are fortunate and I wanna emphasize the critical...that it is critical that Maui continue support Hawaiian Commercial and Sugar. And basically, it is because in addition to their sugar production, they are a major source of energy production for Maui providing...I believe seven percent to Maui Electric Company. And I think you all remember when we had the earthquake across the State and you know how long it took Hawaiian Electric to get power back on on Oahu. Maui, we came on...back on relatively quickly, and that was because of HC&S backup power. And I think that needs to be really considered as part of, you know, when you talk about economic stimulus, we need the sugar plantation. I...I know there's comments that we don't need HC&S, but the alternative is scary.

Some of the things I've stated has been negative and I, you know, I don't wanna sugarcoat it. It is recognized that agriculture is a...is in trouble across the State. It's not just only Maui. We have farmers on the Big Island, Oahu, Kauai. They...we're all struggling. We have several bills in the Legislature seeking State...more stronger State support. And, again, you know, I wanna recognize that, you know, actually we get a lot of comments of how supportive Maui County is to our agriculture industry, more than probably any other county in the State. And, again, I wanna recognize and express our gratitude for that.

Part of the problem is development pressure. Here you have a photo of a farm. This farm used to be one of our biggest protea farmers. It was...the land was sold and now it is...has been developed for housing. We also have, again, transportation challenges. This is one of our...a photo of one of our old-time cabbage farmers in Kula. And, again, one of the challenges was, as you recall, Young Brothers had proposed discontinuing of less than container-loads pallets...for our...for the...for the local economy. And this issue did not only impact agriculture. Although it has a serious impact on agriculture, it...it impacted all of Maui's businesses. But this issue came to a head for this farmer because he asked his wholesaler to...to help cover his increased cost, and the wholesaler refused. And the reasoning for that is because, again, we have such a small market in the State of Hawaii and the wholesalers have...all the farmers, and specifically again, Oahu where Oahu farmers, again, are not challenged with transportation costs which, you know, Maui, Kauai and...and the Big Island are...are...are struggling with. And I think, you know, for this issue the LCL challenge will...will still be there.

And I...you're all aware that the State did come to an agreement with Young Brothers. But, again, if we are to improve our harbors and our ability to...to conduct commerce, the harbors need to be improved. And we need to look at containerization. We have to look at efficiency. And although, how, you know, we know that this discontinuing of LCL can hurt the small business. You know, we gotta change and we gotta be able to do things efficiently. And the harbor, you know, as you know is congested. I...and again, I did meet with Young Brothers yesterday. With the slowdown in the economy, it's really slow. And they now...do now do have space. But again, you know, when the economy picks up they will have a serious problem again. And we need to address that issue right now. We are working with State Department of Transportation on this issue. And, again, we are...we one...one of the things we hope to do is to

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have a consolidation/deconsolidation capacity, not...maybe not necessarily on the harbor front, but in a...in a close location. And part of that will also address our invasive species issue. You know we have a state-of-the-art facility at the airport. We would like to see a similar type facility at the harbors also.

Some of the other things that impact a farm, this...this photo of a...you know, road...new roads dissect viable farms, threatening their future. This farm is...is a photo of my...my best friend's farm. And this is in the Omaopio area. And I know it's kinda hard to see but there is a road crossing that now transects that farm. And, again, when you do things like this, it does...have an impact on their viability.

Another question that...I don't know if it's a subject that, you know, the...it's a favorite subject, but has come up before and I've brought it up in several...with the Council. It has...it's an issue that's been also discussed across the State. And that is, what is rural and what is agriculture? We need to resolve that. Being on the General Plan Committee, I know we had addressed that...we have talked about it. I mean, in the Upcountry area, we are...we are proposing that some of these two-acre ag lots become...become rural residential. And for Farm Bureau, that is what we would like to see. We need to distinguish what is true agriculture and your home gardens.

The next photo or...or slide is...is a real critical one, too. This is in Omaopio. And this shows the...farms that were once actively farmed and, you know, as little as 10, 15 years ago. Now, they...most of it is fallow, and we need to really understand why this has occurred. The problems are multiple, but we need to resolve this issue because this is the lands you wanna preserve on the island of Maui for ag...well, vegetable production. And somehow we need to keep it there. And, again, keep...we need to get those lands back into production.

And, again, you know, I...I do say, you know, agriculture is in trouble. We need the support. And I think, basically, it's not just government. We need everybody's support. When we talk about self-sufficiency, sustainability, without large scale agriculture, this will never occur. I think it's okay that you have small lots. But, again, the...when you think about replacing mainland produce in your Safeways, your Foodlands, Costcos, you need large acreage. You need large production. And this will not occur unless we keep our commercial farmers viable. And, you know, I think we...we...and that's why we need to make a distinction, what is commercial agriculture? And I know the County, the County Council has...we've looked at this issue. And I think it's something that we need, really, to resolve. Not only on a County level, but a State level. We recently passed the...the IAL. This is a key component. We need to implement it. We need...we have some State incentives. We also need to complement it with County incentives. And, again, you know, everybody talks about the permitting process. And that is, again, key, I think to any business, whether it's agriculture or any, again, any type of business. Permitting, streamlining the process, making it efficient. That all has to happen.

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We also, again, the next photo, I mean, your...one of our favorite farmers, young farmers, is Chauncy Monden with the Kula Strawberries. He is, I believe, one of our bright spots. And we need more farmers like him.

We also have a large seed industry as you are aware. They are, I...I believe, the number one economic agriculture industry in the State now. And they do play a key role...in that. . . (*end of tape, change to Tape 2A*) . . .and I think there's some misconception...misconception about Monsanto and what they do. They are...they do breeding, but they are not the final product. And I think they are...you need to recognize without this research, a lot of the production across the...across the globe will not...occur. And, you know, Hawaii is a vital part of that total cycle.

Another thing that we are encouraging at Farm Bureau is along with this bio-technology, is getting seed companies to do their...seed development in Hawaii. And I'm talking about vegetable seeds, flower seeds, those types of crops. And I think that there's a lot of potential in that. And it would add a...a plus to our local farmers because we are hoping that they will get first access to these new varieties. And, again, you know, it can be a key to their viability.

Getting back to HC&S, again, they, you know, they do provide energy and...a new...a specialty sugar product. And finally, by increasing our local production—and, of course, I get back to the invasive...species issue. And it's not only insects, it's plants and, you know, and you know how it impacts our environment and so, you know, we need to increase the local production so that we can prevent that. I am not being critical of organic, but organic produce coming into the State is probably the most serious avenue for new insect introductions that it can impact agriculture. (*Chuckles*) I'll go...I see . . .(*inaudible*) . . .

Anyway, so what can we do? And I think it's, again, it gets back to how much the community really wants local agriculture. We need...and, you know, we appreciate the support that we getting, but we...we do need more. And what I mean by that is, you know, there are some key things that agriculture needs, as I'm...I'm sure many of you are aware, to...to be viable. One of 'em is water. The other is labor, land, market access and, again, I get back to community support. And, again, you know, I did already mention about the important...ag lands issue. When it...comes to water, agriculture needs affordable and reliable water. Many of you are aware that Maui County, and even across the State, we've been in a long...long-term drought. HC&S has been heavily impacted. Our Upcountry farmers have been impacted. Although we do appreciate the County of Maui's policy that was recently adopted by our Board of Water Supply of not cutting back our farmers Upcountry and instead imposing restrictions on our residents, and really appreciate that. However, a farmer, you know, nowadays...these days—and it's...it's different when my parents were farming—when you put in a crop, you cannot afford not to generate a profit on that acre. And knowing that at, you know, at some point if the drought got really severe, it would be agriculture that will be cut back because it...the County Department of Water Supply has to provide for public health and safety. That's when the residents become more...more critical to agriculture. And when you reach that point, for a farmer, you know, if you're gonna invest in putting a crop that's gonna take you three months to

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harvest, you'll be not willing to take that risk, if you cannot adequately irrigate it. And that's why this is still an issue. We are...looking at...we have—well, Hawaii Farm Bureau we have a bill, HB 243 and Senate Bill 495, which is a CIP for agricultural systems across the State. And this is to provide funding for continuation of a dual line Upcountry and also we did add in for the storage that has been proposed by the County.

We are working with the Water Commission. You're all aware of the decision on the EMI situation. We are working with the Water Commission to balance instream and off stream uses. And I think, again, for agriculture to survive—and this is not just Maui County but across the State—this issue needs to be resolved.

As far as transportation, it is a key. Again, we support and...we...the harbor improvements. And, again, we...Hawaii Farm Bureau is working with the State Department of Transportation. We are looking at providing agricultural rates. We...we have been working with—and not relying on government—we have been working with Young Brothers. We have been working with...we have discount with Superferry, we are working with Aloha Air Cargo, and, again, to reduce our...our transportation costs for our farmers.

We also need to contain input costs. And one of our bills, again, by...from Hawaii Farm Bureau, is HB 244 which provides a discount for agricultural...energy by the PUC. And, again, energy...electrical costs is a high...it's one of the high inputs for farmers, whether you're running your reefers or other types of processing equipment. And with new food safety regulations, it can be a very large part of the farmer's cost of production. And also, part of the input cost that I think needs to be really addressed is, with the high cost increasing of petroleum based products, the previous year our farmers have...facing 300 percent increases in their inputs. And yet, their farm gate value—what they get returned—has been, like, what was...we were receiving in the '70s and '80s. It has not kept pace. And so they, our farmers—and this is why it's critical right now. They are falling further and further behind.

Another issue is labor. We need a wide range of labor. And I think it's one thing that we need to...to educate our young people, that agriculture is not like when I grew up, you know, working hard out in the sun. There are other career opportunities and this is what we...are trying to instill and, again, we are grateful to the...to Deidre and the County for, as Deidre mentioned, our Ag in the Classroom program. Just this afternoon we held a field trip at the ag park, at the CTAHR Research Station. We had...from, I believe, four or five schools, second graders, we had about 300 plus students there this morning. They are, you know, they're very...enthusiastic and I think this is an outreach that we need to continue. And I would also like to thank Jeanne here for our partnership on the Educate the Educator program. And, again, thank you to your funding for...to help us provide this resource where we educate our...our educators because, you know, we started our Ag in the Classroom program, basically it was myself and...our PR consultant. We've expanded it tremendously. We...this is our fourth year. And one of the things, I think, is that we were depending on volunteers and we still do...to, like for instance, for today. And we also will be doing it tomorrow, by the way, at the Ag Park.

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For our farmers, as you know, our farmers need to be producing food. They need to be...out there in the fields producing. And we have been depending on volunteers to help coordinate this but with the assistance of Jeanne and her...and her Educate the Educator program, what we're trying to do is have our educators, our teachers learn about agriculture so that they can...incorporate it as far as their curriculum. And I think that's key. We...I think you're well aware the FFA program has declined. We...don't have many agriculture instructors in the DOE system and this is where we need to also have a strong improvement.

Also, we can...we can partner for workforce training. And also, we need to also have immigration reform. And, again, this is a problem across the State. You need to remember Hawaii agriculture is labor-intensive and we need people working the fields. Just based on our small size, the topography, a lot of it cannot be mechanized like the mainland. So we need...we need...employees in the agriculture industry.

The other thing is market access. And, again, we need everybody to support local, buy local. And, again, thanks to Deidre and the Office of Economic Development, we are making a...stronger push on our Grown on Maui program which was something that we developed when Governor Lingle was our Mayor. And this is how long it has been in...in place. But, again...and again, I wanna mention, you know, thanks to your funding we, now we are able to move forward. Previously we couldn't move forward. But now we can and hopefully we will be making more strides in that area.

We also have a Hawaii Farm Bureau, another Hawaii Farm Bureau bill at the Legislature, HB 242, which is to have a value added production facility at MCC. We are...partnering with the Maui Community College and Chancellor Clyde Sakamoto. And I think you recall the Culinary Arts program moved into a new facility and they still have the old facility. And so we wanna refurbish the old facility to increase value added production. And we're talking, we're not just talking...you know, small. We're looking at developing a large program where our farmers can export their value added product out of state. So we're looking at volume production.

And, again, you know, we need the community support. And it has to be a, you know, a pragmatic view and not a, you know, a kind of a, you know, fairy tale or whatever version of what agriculture...because agriculture is hard work, and our farmers really work hard and they're proud of what they do. And I think when, for the public, when we ask for support, I mean like when issues come before...before this body, you know, they should come out and support agriculture in policy. And, you know, when we're gonna be discussing the County Budget, I think, you know, the public needs to get behind agriculture.

And, again, you know, I just wanna end that say...by saying I...we really appreciate all of your support all these years. And although, you know, we are struggling. We are...farmers are resilient people and they don't give up easily, and we're gonna keep plugging away. Thank you.

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CHAIR JOHNSON: Thank you very much, Warren. I really appreciate that. I...I know that, you know, the viewing audience who's seeing this on television doesn't have access to the slides or the pictures, you know, but any information that anyone wants is certainly available.

We don't have that many testifiers. And I'm not...I...I don't wanna...Members, is it all right if we just proceed with public testimony at this point? May Fujiwara is our next testifier and she will be preceded...or, I guess, followed by Christina Omello...Demello, sorry.

...BEGIN PUBLIC TESTIMONY...

MS. FUJIWARA: Good afternoon, Chairperson Johnson and Members of the Economic Development Committee. My name is May Fujiwara, a resident of West Maui. I'm a member of the Aging with Aloha Coalition, formerly known as the Maui Long-Term Care Partnership, and also a member of the Lahaina-Honolua Senior Citizens Club. I'm here today to ask you to continue funding for health care initiatives, for the Aging with Aloha Coalition and the Maui Community College's Nursing, Dental and VITEC programs that are so important to our community. The support...increasing health care providers in areas of shortage, education for family caregivers and the public to prepare for and face the challenging...challenges of our increasing elder population. We're asking for \$275,000. It will help support the Aging with Aloha Coalition and its initiatives, including the long-term care curriculum projects at the high school and college levels. This will continue the work of the Coalition.

Because our West Maui regional group as well as the core leadership group of the Aging with Aloha Coalition and our Senior Citizens Club members are all interested in health care, especially long-term care, we became involved in the Health and Medical Care Career Pathway program at Lahainaluna High School. This program was a pilot program at Lahainaluna and was so successful that other high schools on our island now offer this program. The Health and Medical Care Pathway program encompasses a long-term care curriculum which was begun by the Maui Long-Term Care Partnership. Since most of our Lahaina-Honolua Senior Citizens Club members are elderly and very, very concerned about our health care needs and very concerned about the **lack** of health care providers, we decided to offer scholarships to students in this particular class who are going to pursue careers in medicine and/or health care. So in 2005 our Senior Citizens Club members started with one \$1,000 scholarship to be awarded to a student in this particular class at Lahainaluna who planned to pursue a career in the health field. And we have continued to...to award scholarships every year since. Last year in 2008, our club gave six scholarships, two \$1,000 scholarships and four \$500 scholarships. The reason we gave so many was, we couldn't decide on which two...two students to award scholarships to. They were all so worthy. So we gave all applicants scholarships. And we have also donated money for scrubs for students in this class to wear when they go out to do their intern work at the hospital or at the...care facilities. And, of course, these students...their...the scrubs are all red and white, Lahainaluna colors, so where they wear them, very, very proudly.

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MR. TAGUCHI: Three minutes.

MS. FUJIWARA: We've also donated money for them to attend a host of competitions. To date, our club has donated \$10,555 to this particular class. Our club hopes to continue to award scholarships yearly to worthy...these worthy students who are interested in pursuing careers in the health and medical fields to help alleviate the shortage in health care providers that we now face. And when our West Maui hospital opens, these graduates can be...can find employment there. And incidentally, all of this money was raised by our senior club members making and selling leis on the lawn of the Baldwin House...Baldwin House at Lahaina, in Lahaina at twice a month. So if you ever need a lei, come buy a lei from us for a very worthy cause. Thank you.

CHAIR JOHNSON: Thank you very much, May. Any questions? Thank you, May. Appreciate you coming all the way from Lahaina. Christina Demello and she'll be followed by Kathleen Mumford.

MS. DEMELLO: Hi. My name is Christina Demello. I graduated from attending Nursing 16 at MCC. I would like to say thank you for this grant program. And if not for this grant program, I wouldn't have had the opportunity to receive a higher education that...that I have now. Thank you.

CHAIR JOHNSON: Thank you very much. Any questions? Seeing none, our next testifier is Kathleen Mumford and she'll be followed by Jane Manalili.

MS. MUMFORD: Hello, my name is Kathleen Mumford and I'm an instructor at Maui Community College. And I teach the grant-funded Nurse Aide training class and I'm very proud of all of the students who come through this program. And I wanted to give thanks to Deidre and to Nancy Johnson and to the County Council for continuing this program. This is exactly what...what Jeanne was talking about in having an infrastructure that's ground roots in being in the...the community, small time community because I have only ten students at a time. And these ten students are dedicated everyday. They don't go to school throughout the whole semester. They go to school for about seven weeks and it's a very intensive eight-hours-a-day. And so we just thank you for this funding because these people may not be the ones who are going into bigger facilities, but a lot of 'em are the ones who are staying home to take care of their neighbor, to take care of their relatives and it keeps them in the home longer. And so a lot of these people also work with the Foster, Elder Care program that it keeps people in a home setting rather than in a long-term care setting. So we commend all of them for their hard work and we thank you for the monies that you've given 'em.

Also, this program is funded through the grant with the Maui Long-Term Care Association, the Aging with Aloha project and Coalition. And we thank them as well and hope that that will continue. In addition, I would wanted to say that the College is doing a lot of other works for another program called Health Navigator and this is where people are going to learn how to

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navigate the healthcare system through the Internet to find alternatives to diseases such as cancer and Alzheimer's. And so these people will be able to support their friends and neighbors just by knowing how to navigate the healthcare system. So thank you very much for all of your hard work here. Thank you, Council people.

CHAIR JOHNSON: Thank you very much. Any questions? Seeing none, our next testifier is Jane Manalili and she'll be followed by Bernabe Manalili.

MS. MANALILI: Hello, everybody. My name is Jane and I want to thank you for having the opportunity to working in long care. I never knew...realized that it took a lot of work. And ever since we worked with Hale Makua it was like one of the greatest experiences. But I really appreciate the grant and the help and we're able to finish our course, and today is our graduation. And I wanna thank you very much. Thank you.

CHAIR JOHNSON: Thank you very much. Any questions? Seeing none, Bernabe Manalili and she'll [*sic*] be followed by Mr. Edward Smith.

MR. MANALILI: Good afternoon, everybody. I'm the husband of Jane. We would like to thank...I would like to thank you for all the fundings that you gave us in Nursing Aide. Right now, me and my wife is going to school at Maui Community College, but we're right now we are in Liberal Arts but starting on this Nursing Aide. So even eight hours or whatever hours that we're trying to attend and finish, now this our graduation. So we are very much thankful and I hope you will continue funding this kind of activity or any kind of continuing education for those people who like to work, like the nursing aides. Really, when I...when we have a clinical service there, really touch my heart, those people that they need help and really I think the employees is not enough. So maybe one of these days, you will see us there. And I know maybe after ten years, I will be there. . . .(*chuckle*). . .

CHAIR JOHNSON: . . .(*chuckle*). . .

MR. MANALILI: Okay, I'm just...old enough, but I'm trying my best. Thank you very much.

CHAIR JOHNSON: Thank you very much. Any questions? Seeing none, our next testifier will be Mr. Edward Smith and he will be followed by Donna Jorah.

MR. SMITH: Aloha, everybody.

CHAIR JOHNSON: Aloha.

MR. SMITH: My name is Smitty from Pukalani. I wanna come here and thank all of you for helping Maui Oral Health Center through funding, through spiritual uplift for the whole community. It was...you folks made it possible for me to get--now I'm known as "Jaws".

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COUNCIL MEMBERS: . . .(*chuckle*). . .

MR. SMITH: There's a lot of seniors that's...being on Maui that been going around with bad health because they could not chew their food properly, especially here, Maui, Lanai, Molokai. So...we all have this problem, come up in the poverty family line...the...anyway, it was hard for a lot of us to afford to get a dentist. And by your help, it made it possible for Maui Oral Health Center to expand from one mobile van with one chair to a two-story building with many chairs which made it possible for me to get my opportunity to have jaws put in my mouth. And I appreciate you folks can continue the support so that Maui Oral Health Center can...can keep in possession the building they have now and, if possible, expand to a three and four story building. We have a lot of children in our community. We have a lot of seniors that I knew had no teeth at all or just getting their old teeth just yanked out of their mouth, going around and having a bad health problems because they...they could not...eat the food they needed. They could not digest the food and eat it. Now I know a lot of them they're going around also with jaws. And your help is...is a...it's a gift from God. And we all pray that you will continue to support us. I'm only 71 plus years old and I look pretty good with teeth. I might...I might get married again, who knows? Thank you.

CHAIR JOHNSON: . . .(*chuckle*). . . Thank you, Smitty. Any questions? Thanks so much, Smitty. And I'm glad to see you're...you're...you know, you don't compare to the surf site, Jaws. But, you know, I know what you mean. (*Chuckles*) Thanks, Smitty. Donna Jorah is our next testifier and she'll be followed by, I think, it's Lon [*sic*] Greenwood?

MS. JORAH: I'm speaking on behalf of myself and Nancy R_____. We are both graduates—well, as of today—of MCC at the Nursing Core Training. We would like to thank you very much for giving us this opportunity to take this class. Because of you sponsoring the tuition and associated costs, we were able to be in this class. The choices of Kathleen Mumford to teach this class couldn't have been better. Her ability to teach and make understanding, all we had to do is to learn excellence in all our regards. We know this class is to help provide care in long-term care facilities. With the aging of the general population, this is certain to be an area where caregivers are needed. We feel the...I'm sorry, yeah...we feel the existence and continuing of this class is needed and important. Thank you very much.

CHAIR JOHNSON: Thank you very much, Donna. Any...any questions? Seeing none, Lon [*sic*] Greenwood. Thank you so much. And she'll be followed by our last testifier that signed up, Ms. Anne Trygstad.

MS. GREENWOOD: Hi, I'm Lois Greenwood.

CHAIR JOHNSON: Lois. Oh, I'm, I'm sorry.

MS. GREENWOOD: Sorry, I have terrible handwriting.

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CHAIR JOHNSON: No, it's okay. *(Chuckles)*

MS. GREENWOOD: I'm the Director of VITEC at Maui Community College. You know, we're in Workforce Development and Continuing Education, and we've been, you know, very privileged to be able to be a recipient of part of the grant money that goes to the college with the Aging with Aloha Coalition. And we were asked to...to develop and to customize a training program that we've been developing over the years in...for caregivers in compassionate caring and continuous improvement. So we did that last year and we're doing it again in...in this coming year as a result of this grant support that we're receiving from your...from the...from the County.

You know, our...our mission is really...has a lot to do with workforce retention. And I think, you know, we're all aware that just as a the cobbler's children have no shoes, caregivers, you know, are the worst at taking care of themselves. They face a lot of burnout and stress, you know, high, high emotional environments where things can get really to a place where they can become highly demoralized. So a good part of this training program, the first 50 percent of it, is really focused on helping caregivers to revive themselves. And...so some of the course objectives are to rejuvenate themselves as caregivers; to manage emotions of anger or attachment or indifference; to align with their organization's mission and values; to actively listen to co-workers, patients and family members; to provide high quality personalized, compassionate caregiving; to handle difficult people and to solve problems. And we're focusing with the Aging with Aloha Coalition, we're focusing on many of the community organizations here in the County, along with this last year we had tremendous participation from Kula Hospital. We were able to certify six...six leaders at Kula Hospital. And this is a certification training program so the idea here is that when we can teach others to become teachers, then these organizations then have the internal capacity to keep on teaching. So they're not relying on us to keep coming back. You know, it...it's...it's part of capacity building in...with the various organizations that we're able to certify.

Well, Kula Hospital just finished their first training. They...trained all their department unit heads last week and they sent me some of the evals. And just...just to read to you some of the comments. The Director of Nursing comments that this...that the course provided good, concise tools to use everyday. One of the nurse leaders said, these skills can apply to life in general and can be used to improve relationships everywhere. This social work leader said, that this provided valuable information that can be used everyday at Kula Hospital. The CEO, Lee Johnson, commented that it is important for the whole team to learn and practice this. . . *(end of tape, change to Tape 2B)* . . .from one of our certified trainers that Mr. Johnson is actually going to now show up every...at all the departmental meetings and ask them what tools they're going to be implementing from...from the training program. So, what's gonna happen here at Kula Hospital, and what will happen with all of the organizations that we certify, is that these six trainers are now going to train all of the staff at Kula Hospital. So over the next—probably it's gonna take a year—but all of the certified Nurse Aides, the Nursing staff as well as landscape and maintenance, dietary, everyone will be trained in this course. And then they'll share these...these principles and these tools with each other.

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We had that...this was based on a program that we developed at Hale Makua years ago. And when Hale Makua tracked it, they found that at the end when everyone was trained--

MR. TAGUCHI: Three minutes.

MS. GREENWOOD: --they were able to track a 56 percent drop in resident care mistakes, and an employee morale increase that went from...that...that was about a 76 percent morale increase. So, we're...we're excited about this program. And we certainly thank you for the support you've given us in keeping it going. Thank you so much.

CHAIR JOHNSON: Thank you, Lois. Are there any questions? Seeing none, our final testifier who signed up is Ms. Anne Trygstad. And following Ms. Trygstad, if there's no further testifiers, we'll be taking our mid-afternoon break.

MS. TRYGSTAD: Hi, my name is Anne Trygstad and I'm a registered nurse. I'm a former member of the Maui Health Care Initiative Taskforce Subcommittee on Long-Term Care. I am the Policy and Advocacy Chair for the Aging with Aloha Coalition, along with Jo Anne Johnson. It's been a pleasure to work with. And also I'm currently on the Mayor's Council on Health as the Vice-Chair. I concur with Nancy Johnson that...I think all of us know we're facing some huge health care crises. Fortunately, I think we're also headed into a period of innovation and hopefully improvement in the distribution of health care.

Historically, for the first time, our aging population in approximately 10 to 20 years will be over the age of 65, every one out of five individuals. This has never happened before and we're not sure of the total impact of having such a large aged population. Additionally, it is projected that within the next 10 to 20 years, we're going to need to replace 9,000 nurses in the State of Hawaii through the fact that the current workforce, the educators, nursing educators and nurses currently in the field will age and retire. So that in itself is a challenge and certainly projects a great workforce shortage in the nursing area.

And finally, there is a shift towards home and community-based care. Currently, it costs over \$100,000 per year for an individual to remain in a nursing facility such as Kula Hospital or Hale Makua. The Federal government is supporting a trend towards home and community-based care because it's so much more cost-effective. And so working with the Aging with Aloha Coalition, we've identified some measures and strategic goals that would help improve the quality of care in Maui and also decrease the cost. Number one, with Jo Anne's help, we were able to secure increased funding for Maui Community College to increase its faculty by an additional six faculty members that doubled the graduates in the Nursing program from 40 a year to 80 per year. That in itself has already started to help meet the impending workforce shortage in nursing, especially with our second hospital soon to be opening. Additionally, we also support the Dental Health program. Poor dentition has been shown to trigger heart attacks and strokes due to the chronic inflammation of poor gum status, poor gum disease. And so, currently I was informed

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by the Director of the Department of Human Services, Lillian Koller, that unfortunately due to the shortages, the Department of Human...Department of Human Services will be decreasing dental services available to Medicaid eligible clients to extraction only, which is taking us back to about 1997 levels. It's eliminating all of the maintenance prevention programs that we had built into the Medicaid program up to this date. So at this point, unless some action is taken, Medicaid recipients will only be able to have their teeth pulled, receive antibiotics and pain medications. So, again, I strongly encourage continued support for dental programs at Maui Community College. Additionally--

MR. TAGUCHI: Three minutes.

MS. TRYGSTAD: --the...the grant given to the Aging with Aloha Coalition has helped create, in collaboration with Maui Community College, some very, very innovative curriculum pilot programs. Some of the students that testified today are examples of the type of work that's been given to perhaps individuals that would not have been able to afford the tuition, the uniforms, the books, the shoes that through the scholarships that this Committee has provided were able to complete a seven-week program and to date, 80 of these individuals have graduated from the program, have entered the workforce and are caring for people in the home setting. So, again, we're also, under this grant, been able to, as May mentioned, develop the high school career pathway programs that encourage youth to enter high school...youth...high school youths to enter into the health care field, and also provided consultation to an organization called Na Hoaloha which works with recruitment of volunteers to help elderly in the home and community setting. And over the last three years, they've--

MR. TAGUCHI: Four minutes.

MS. TRYGSTAD: --increased volunteers by 80 per year. So, I would really appreciate it if you would continue this much needed support and it's a good investment in our community. Thank you.

CHAIR JOHNSON: Thank you very much, Anne. Are there any questions of the testifier? Thank you very much, Anne, and thanks for your hard work. Is there anyone else in the audience wishing to testify? If not, we're going to take our break and then when we return, I'd say at 3:30, if Members would be prompt and then we can begin to ask the questions of our panelists. And I'd also like an opportunity when we return to give Mr. Arakawa a chance to let you know about some of the things that are going on and ask him about questions about permitting, but also he does have some of the stimulus information which he wants to share with us. So, Members, we're in recess until 3:30. ...*(gavel)*...

RECESS: 3:18 p.m.

RECONVENE: 3:34 p.m.

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CHAIR JOHNSON: ...*(gavel)*... The Economic Development, Agriculture, and Recreation Committee will come back to order. Thank you, Members, for that break. And I hope everyone moved their cars so they won't get a ticket. Members, I forgot to close public testimony before we took our recess. So if there's no objections, I will close public testimony and receive any written testimony into the record.

COUNCIL MEMBERS: No objections.

CHAIR JOHNSON: Okay. Thank you very much, Members.

...END OF PUBLIC TESTIMONY...

CHAIR JOHNSON: I just wanted to note also that Nancy Johnson from Maui Community College has to leave at 4:00, but Mr. Arakawa has joined us, so he is gonna be giving a brief presentation prior to my opening it up for questions, because he has some information that he would like to share. And then we can proceed. Milton?

MR. ARAKAWA: Sure. Thank you, Madam Chair. I would bring to mind that January 21, 2009 letter from you to the Council Chair which mentions that we wanna take full advantage of the options that will be presented to us through the economic stimulus legislation. And the economic stimulus legislation was passed as the American Recovery and Reinvestment Act of 2009. This was signed into...into law by President Obama on February 17, 2009. And since the law passed fairly recently, I wanna stress that I'm not the expert in the law and that all the details of implementation are not yet known. However, I did want to provide the Committee with some information on the Act as provided by the offices of Congresswoman Mazie Hirono. Congresswoman Hirono's office has provided an estimated allocation of the monies which are expected to come to the State of Hawaii. And this has been circulated to you. And I can go over some of the highlights of the allocations.

There is a total of slightly more than \$1 billion which is expected for the State of Hawaii to be spread over 35 different programs. And there is a staggering array of different program areas. And I can go over some of them. Some of the major ones include, of course, Highway Infrastructure Investment for \$126 million; Transit Capital Grants; there's also a Clean Water State Revolving Fund for \$31 million; a Drinking Water State Revolving Fund for 20 million; and there's a State Fiscal Stabilization Fund of 195 million. And according to the Act, the State Fiscal Stabilization Fund can be used to avert budget...cuts in education or other basic services such as public safety and law enforcement, services to the elderly, and people with disabilities or child care. And this program area can also be used for school renovation or repair.

Some of the other program areas included in the Act are Title I grants for \$45 million, and these are grants to local educational agencies to provide supplemental educational funding; there are Individuals with Disabilities Education Act, Part B State Grants for \$40 million; Child Care Block Grants for \$6.4 million; Head Start was allocated \$2 million; there are also Vocational

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Rehabilitation; job training grants; and the big chunk of the monies go for Medicaid assistance. That was allocated a total of \$360 million. There's also Supplemental Nutrition Assistance for \$106 million. This was formerly called the...the Food Stamp program. There's also Homelessness Prevention for 6.2 million; Community Services Block Grant for \$5 million, and this block grant helps to support local community action agencies, provides services to low income families hurt by the economic crisis. There's also Community Development Block Grant of \$4.1 million; Public Housing Capital Funds of \$16 million which, incidentally, would be used to renovate existing public housing. There's HOME program funding of \$9.5 million, and these funds are to provide affordable housing and rental assistance to low-income families. And there's also State Energy program monies which are allocated to receive \$25.8 million.

These are just some of the...the major program categories. And, while I stress again that many of the details are not known at this juncture, there are several observations which can be drawn. First, as was evident from the reading of the program areas, there are both capital improvement monies and a significant amount of social service and operations type programs which have been included in the Act.

Second, a significant portion of the monies will be funneled through existing Federal and State programs. In some cases, the Act mandates the distribution of monies by formula. In other cases, there are discretionary grants. But the important point here is that qualifications and requirements vary from program to program. Thus, County agencies will have to work with the applicable Federal and State agencies in order to receive its share of monies. Detailed information on how to access these monies are not fully known in all of the program areas at...at this juncture. For other organizations and even for non-profit agencies, the opportunities to receive monies directly from the applicable non-County agencies who will be responsible for divvying up these monies should also not be overlooked. I would also note that when Congress was still considering the passage of legislation some time ago, a few months ago, there was a concerted effort through the U.S. Conference of Mayors to provide a significant chunk of economic stimulus monies through a block grant process which directed monies directly to the counties rather than going through the State. However, the final legislation which passed largely did not take that approach.

Third, the Act has certain deadlines on when to obligate and spend the money. I do wanna mention a bit about local permitting as it relates to capital improvement projects. While we do understand there is a concern about permit processing time, capital projects being considered for funding under the American Recovery and Reinvestment Act of 2009 must be close to "shovel-ready". These are projects that have already been designed, need no land acquisition and have already...or have already acquired necessary land and obtained basically all their permits. By contrast, if you have a project where you need a Change in Zoning, for instance, that's still required, this project is not "shovel-ready" and likely will not be a candidate for economic stimulus monies.

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In the transportation area, for example, there are a number of projects which are considered shelf projects. These are projects that are ready to go to construction but perhaps in past fiscal years, did not have construction funding. These are the type of projects that are prime candidates for stimulus funding. Other projects are jobs like road resurfacing which do not require much design work and do not require a building permit. I would also specifically mention that the State DOE is looking to utilize stimulus monies to conduct long-deferred school repairs and maintenance. And this would be from that State Fiscal Stabilization Fund program which I mentioned earlier. At this point, I am not...certain how the DOE will divide up its monies, but contractors, for example, may want to inquire about this specific process with the DOE as far as, you know, how many...how much monies may be available for those types of projects.

The Public Housing Capital Fund renovating public housing is another possibility for contractors. I would also mention in the permitting vein that for these types of projects, the State usually exempts itself from County building permit requirements. And this procedure is allowed by the County Code.

These are just some preliminary observations of the American Recovery and Reinvestment Act of 2009. I understand that there have been a number of inquiries to the Administration as to the status of implementation, and there are a number of program areas funded by the Act which are not under County jurisdiction. However, we can certainly provide more information to the appropriate Council committee as it becomes available. And that concludes my comments.

CHAIR JOHNSON: Thank you very much, Milton. Now, Members, I'm gonna open it up for questions and, of course, keep in mind that if you have questions of Ms. Johnson, she will be having to go—what is it?—at just a little bit before 4:00. Is that correct? Okay. Thank you. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. And my question is for Ms. Johnson. Just one quick question. The Department of Education several years ago with regards to the shortage of administrators rehired a lot of retirees to come back and fill those positions to help address their shortage. Currently, are...are there any programs right now to rehire retired nurses to come back into the system, so to speak? Has that been a consideration?

MS. JOHNSON: One of the interesting things is most nurses are working. There are very few that are retired. But, and how long they will work is one of the questions that really plays into the calculation. I...I know many nurses are talking about continuing to work. But nursing in the facilities is a very physical job. And so, realistically I don't see nurses working in an agency over about age 70 to 75. So, I mean the age of nurses are still a big concern. But I...I do think that they're gonna extend their retirement like everyone else.

COUNCILMEMBER MOLINA: Okay. Thank you. Thank you, Madam Chair.

CHAIR JOHNSON: Thank you. Member Baisa?

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COUNCILMEMBER BAISA: Thank you very much, Madam Chair. And thank you, panelists, for a very interesting afternoon. Certainly can appreciate a lot of the information you shared with us. Before I ask my question, I wanna...express my thanks to a couple more GPACers who are done. I'd like to thank Warren. And I'd also like to thank Jeanne for all the hard work that they did on the GPAC. Earlier today we had Warren Shibuya here. That's why I'm saying another GPACer. And also the honorary GPACer, Member Jocelyn Perreira, who I think attended most of the meetings. May have missed one or two, I don't know. But every time I went, she was there. And I know she worked really, really hard. So I wanted to especially thank all of you for that.

You brought up a lot of interesting subjects and, you know, there's millions of things that we could talk about. But I'm particularly interested in some of the things that, Warren, you brought up. I have a question. We always talk about the cost of transportation and related to ag and I'm interested, why do we send our Maui ag products to Oahu and then have 'em sent back? What is that about? Does that make them more expensive when...and then it causes the problem with those of us who go to the market and say, well, I'm gonna buy this onion from Texas. It's cheaper than the one from Kula. Can you tell us that?

MR. WATANABE: Well, again, I...I'm not sure what...why, why that...why that is, but, you know, why the wholesaler would send it back. Because...well, for instance, as you know, one of the largest wholesalers is Armstrong Produce--

COUNCILMEMBER BAISA: Right.

MR. WATANABE: --in the State of Hawaii.

COUNCILMEMBER BAISA: Right.

MR. WATANABE: And we have a Maui location...known as Kula Produce. I mean, when...my understanding would be that...say it's head cabbage. I mean, I don't...I haven't heard where it...it's shipped back, you know. I don't...I don't know what the commodity you're referring to, but if that is occurring, it's probably because there's some mix up in the...in the...marketing chain. As you well...as I mentioned, you know, Oahu is the biggest market. Maui Farmers...you know, head cabbage, those types of crops are basically shipped to Oahu. I know...I have been aware of certain other...companies...way...even way back. I questioned that because I...I would go to Costco, for instance, and I see diversified ag and it has Maui...it says diversified ag, but it's Maui onions.

COUNCILMEMBER BAISA: Uh-huh.

MR. WATANABE: So why was it shipped to the Big Island, shipped back to Maui? And, you know, really, it doesn't make sense. But I don't believe the farmer is charged that

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additional...transportation cost. I imagine it's taken up by the wholesaler or the...or the distributor.

COUNCILMEMBER BAISA: It's really interesting because, you know, if we're picking it here and sending it there and sending it back, I...I just don't understand why because, you know, the fresher it is, the sooner we get it, the better we like it, and maybe it should be able to cut the cost. But anyway, it's always been something that intrigued me. And I've heard my husband said over and over, so I thought I'd find out if that's true. The other thing I wanted to ask you was about the Ag in the Classroom. You mentioned that this program is four years old. What ages do you target? Because I'm wondering, is it too new for us to see any results? I mean, do we have any more farmers as a result of it?

MR. WATANABE: Well, right...right now the...our program the...*(inaudible)*...is targeted as second graders.

COUNCILMEMBER BAISA: That's gonna take a while then. *(Laughs)*

MR. WATANABE: Yeah. And...and just for...for your information, what I was told recently for the average age of the Hawaii farmer is...is a little above the national average. And it's...I was told recently it's, it's now 60 for the State of Hawaii. It is a major concern. We are implementing...in fact, our ag specialist here next...next Friday will be hosting at the Tropical Plantation as part of our Ag Fest on the 14th, which I hope you...you...will tell your friends and family to attend. He...we are having a program for fifth grade students. We are...and that's one of the things that we've also partnered with MEDB. We also want to target high school, probably the sophomore level in high school. We have started talking. We met recently with Kam School-Maui, Kamehameha Schools-Maui. They are interested in holding...kind of like a career day. And, you know, Maui County Farm Bureau is involved in that also. So we are, you know, trying to...encourage a lot of people. The Ag in the Classroom with the second graders is not just limited to the...public schools, Department of Education. It's also...we also invite the private schools and the charters. We'll probably when we get to the intermediate, high school, we'll have be...involve the charter schools also.

COUNCILMEMBER BAISA: Do you know what happened to FFA? I remember—I mean, I'm very old, though. When I was in school, we had Future Farmers of America and, you know, everybody was very interested in ag. Does that still exist?

MR. WATANABE: It does still exist. Lahainaluna still, I believe, has it. It's very much smaller than it used to be. Just like you, when I was in grade school, I was involved in 4H. That's another area that--

COUNCILMEMBER BAISA: Oh, yes.

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MR. WATANABE: --has been in decline. I did recently talk to...the...administrator here in Maui and actually...actually one of the extension agents, Tom Mason. As you know, the home economics side of 4H is still very strong, but as far as—and also the livestock side—but as far as vegetable production, the gardening, which I was involved with, that has really...it's not...practically non-existent. And I asked Tom if we could revive that portion of 4H also.

COUNCILMEMBER BAISA: That might be a very good place to put some sustainability efforts because, you know, a lot of our kids today think that chickens come in plastic bags in the...in the supermarket. And they have no idea that potatoes grow underground because, you know, they've never seen this, whereas you and I were raised in a very different time here in Maui when ag was very common. So, you know, if we're gonna seriously try to do ag, then we better revive some interest in it and teach kids about the opportunities or it's just not gonna happen. Thank you so much. I'll...I'll give someone else a chance. Thank you.

CHAIR JOHNSON: Thank you very much, Member Baisa. Are there any final questions of Ms. Johnson because she has to leave shortly?

COUNCILMEMBER PONTANILLA: I get one.

CHAIR JOHNSON: I...Mr. Pontanilla?

COUNCILMEMBER PONTANILLA: Thank you. In your Nursing program, when a student enter the program, how long does it take them to graduate?

MS. JOHNSON: Most students take three years. They take a year of liberal arts, a year of—because we have a career ladder, they finish the first year, they're practical nurses. The second year, they're registered nurses. So most of 'em begin working in health care, actually, during that first year when they took the Nurse Aide training class, but they work part-time and the licensed practical nurses work part-time. So three years to be registered nurses.

COUNCILMEMBER PONTANILLA: Three years.

MS. JOHNSON: Uh-huh.

COUNCILMEMBER PONTANILLA: Okay. Thank you.

CHAIR JOHNSON: And...and, Nancy, I had one question, too, because, of course, the State Legislature is talking about budget and all these cuts and across the board, how will that, if you are cut at the State level, are you aware of anything? Are they gonna try and maintain your budget or what level of funding are you looking at? Or don't you know?

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MS. JOHNSON: The campus is looking at the cuts that have been mandated to UH. I'm not anticipating any direct cuts to the Allied Health Department. But the College is absorbing some cuts with some unfilled positions...and some other reallocation of funds.

CHAIR JOHNSON: Okay. I...I really appreciate, you know, the challenges that we all have, but I wanna thank you very much for your participation, Nancy. And I'll...I'll excuse you. ...*(chuckle)*. . . Thank you so much and thanks for your participation. And please give our best to Clyde.

COUNCILMEMBER BAISA: Good job, Nancy. Thank you.

CHAIR JOHNSON: Members...yes, and, and, Member Kaho'ohalahala, your turn. . . .*(chuckle)*. . .

VICE-CHAIR KAHO'OHALAHALA: Okay. I wanna thank all of the panelists for...for giving your perspectives. I think the one that's, for me, very critical and that was by your own presentation, Warren, and that was the need for agriculture. So, and I don't wanna make light of all of the other industries that need support, but my questions have to do with...you've laid out what you think are the priorities in agriculture and you listed water, labor, land and market access. So what I wanna know is specifically, and if you can, you know, if we're gonna be effective as...as policymakers in supporting an industry that I believe is important to our ability to be sustainable, then we're gonna need more than just a list of bullet points about what is important. And so my questions have specifically to do with what in each of those areas are the specific needs? Because if it requires us to...to look at legislation or change or policies that are gonna support that, then we should be meeting it directly. And I'm...so...under water I ask, what are the specific needs that relate to water? And are the...are you talking about water rates for agriculture, you know? So what specifically in water should we know about, you know?

MR. WATANABE: Well, I did refer to the...the EMI case. The Water Commission is looking at, you know, the restoring in stream uses, which we feel is very important. But what...I think one of the issues is that when the Water Commission made their decision, we at Farm Bureau or the ag industry felt that they did not do what is mandated in the State Water Code. For instance, they did not approach the Kula farmers as to what their needs are, and when you--and we're talking about a balance here. That's all we're asking for, a balance of the instream and off stream uses. And as you...everybody knows, you know, agriculture cannot survive without water. I think one of the things we...we talk about also is source development. We're all aware about the issue of water, whether it's potable water for the residents, development, or agriculture. This has not kept pace.

VICE-CHAIR KAHO'OHALAHALA: Well, let me ask you specifically on...on water source development. You know, the...the trend here is that you either rely on the County to develop that water or you rely on...what has been traditional practice of partnerships in water development. But that comes at a price to the farmer because those partnerships are gonna redirect water to where the development agreements come into play. So what does agriculture do in terms of

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water development? Do we have agreements with the agricultural industry to be the developers of water so that it now becomes a part of your investment into water resource development and it doesn't become some part of a sidebar where you have to now go and request portions of water? . . .(end of tape, change to Tape 3A). . .

MR. WATANABE: Well, again I think it's...when I talk about source development, I think it's basically what we're looking at. Again, you know, we've talked about reservoirs for the storage Upcountry for...for years. For instance, we're...I was looking back at some of the old newsletters of the Hawaii Farm Bureau back in the...1961, my...my parent's generation. We talked about the dual line then and how drought was severely impacting the Kula farmers, and it still is an issue. It takes so long to develop it. And I'm not being critical of the system, but our dual line project, it was...it was talked about years ago. I mean, you know, Buddy Nobriga guys were talking about it. And we still don't have it completed. Water is still not available. It's gonna take a lot of more...more funding, a lot more time to develop the system. Right now we just have the transmission line. We don't have that laterals to drop it down to the farms. And I think, again, it's getting to where agriculture should have an, I feel personally, it should have an allocation where we're guaranteed water, reliable—and, again, it gets to reliability—because, again, we are a business. Agriculture is a business. And without that major input, agriculture will not be viable.

VICE-CHAIR KAHO'OHALAHALA: Okay. In...in the...in the area of...of guaranteed allocation then, I wanna ask you, does the...the Farm Bureau or the associations of farmers or whatever that entity might be, do you consider that maybe a guaranteed allocation should be now tied to your development of water resources? I mean, collectively, if...if...if you say farming is...is very important, then why are you not pursuing the idea of being the developer of water resources, no different than the other land users are developing water for their use? And then we end up relying on that mode of water development and end up having to reallocate to those directions rather than towards agriculture.

MR. WATANABE: Well, for agriculture if you're talking about drilling wells, it won't be...you...it won't be economically feasible. You cannot have agriculture and be paying high water rates. Again, it...it's just not gonna happen. I...and I...to me, it gets back to a balance. I think what you really need is, again, when I talked about community support, it's how...how important is agriculture? We recognize...I mean, I've...I've...when I went to the Legislature this year, I was asked by the Legislators, well, why should the residents or other rate payers pay, for instance, you know, I mentioned our...on the energy for electricity, that was the question. Why should other...the rest of the community be paying to support this? And basically, if you want agriculture, if you want local production, I mean...farmers have...do not have the ability to pass on their cost. It's...it's different from any other, I believe, any other industry. And, again, I mentioned that...about the farm gate value. I mean, my generation, we're getting paid what my...our parents were being paid. And until that somehow changes...because the public has been—and...and it's not just in Hawaii, nationwide—the American people have been used to cheap food.

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VICE-CHAIR KAHO‘OHALAHALA: Okay. Chair, if I may?

CHAIR JOHNSON: Uh-huh, sure.

VICE-CHAIR KAHO‘OHALAHALA: Just along that line, farming and agriculture uses large, or needs large tracts of land like you said. Why don't you become the provider of power and energy to subsidize your own farming costs so that you can develop farming, you can develop water resources? But you have land, you have resources that are renewable and you can still be able to farm the land. But are those directions that you as the...the Farm Bureau, you know, exploring so that if cost becomes a major concern for how you're gonna get water, why should people subsidize your...your power needs? Then, are you looking at potential ideas or directions that might help to resolve some of that? So, I'm asking those questions 'cause I wanna be supportive. But if I'm gonna do my part on this end, then I need to know that you are exploring as many of those potential areas that...that government can be supportive of. So...so here's another idea. Why are you not producing renewable energy to subsidize the cost of your own power and perhaps look at where water now might be much cheaper for you to, you know?

MR. WATANABE: Well, again, one of bills that we...we were supporting is, again...for instance, Monty Richards on Kahua Ranch, he has renewable energy. And we...what we're asking that if these energy producers, they get some form of compensation. Ulupalakua Ranch is looking at wind energy. HC&S does the burning of the bagasse. I think those kind of...that's...that's what we're looking for. We are...what we're trying to encourage is what you're...exactly what you're saying, for the farmer to...generate some of their own energy and also be able to...if...if they...if possible, to generate enough power to return back to the...to the utility company. That's what we're looking at. And, again, the question that did come up, just for your information, one of the State representatives did ask—she's okay with the concept. They're okay with the concept, but the issue came to the fake farmers. Why should...are they part of the picture? And that's why we say we need to really define what is a commercial farming operation? That was the concern. And it was also a concern expressed by the PUC and the consumer advocate. So those are the kinds of issues. Once we can resolve, then I think you can more...more focus on what the needs are and how you can support the...the industry.

VICE-CHAIR KAHO‘OHALAHALA: Okay. Madam Chair, I'm gonna defer and let others ask questions.

CHAIR JOHNSON: Okay.

VICE-CHAIR KAHO‘OHALAHALA: But I have several other questions in the other areas that he brought up.

CHAIR JOHNSON: Thank you. Thank you. Member Molina?

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COUNCILMEMBER MOLINA: Thank you, Madam Chair. And I, too, wanna express my mahalos to all of the...panelists for coming in and share their thoughts with how we can revive our moribund economy. Question for Ms. Perreira. Currently, the...what just passed out of the Planning Committee was the legislation to ban superstores. And you mentioned in your testimony about how small towns will play a key role in helping revive our economy. Can you tell me, tying into this legislation with the banning of the superstores or basically limiting their size and with the role of small towns in helping to revive our economy as you had mentioned, can you...give us some comments on that and where you see small towns benefiting from legislation like this?

MS. PERREIRA: Well, first of all, we are on the record. We did submit testimony expressing concerns about the impact of the superstores on the small businesses and how when you have a huge big box that comes in, that you really do impact on as much as 60 small businesses. And what's returned back, the returns back into the community from the local businesses are...are not the same. You don't derive the same amount of benefits from the homegrown businesses as you do from the big box entities. It's really important that we look at the size of these...these buildings that house many different kinds of businesses under the same roof. It's...it has a track record of being...very harmful to small towns across the nation where these kinds of stores have come in and they have almost obliterated some of the competition. And, you know, they...they...they come on the premises that they're gonna do bulk. So what happens when you have a big, big box fail because you don't generate as much sales revenue that you expected to have in a particular area? Well, when some of these stores couldn't make it and they left, they left in their wake a real problem for some of these small, small towns who lost their little mom and pop stores, and the big box left them as well.

Now having said that, I do wanna say that there may be a...a place for a dialogue with some of these big stores where they're looking at—they have to consider looking at they may be filling a need or a want that's affordable, you know, in that they're not...they're not doing a...a specialty item. They may be buying something in bulk that nobody can...can get the same prices for. So, you know, they have a place. But when you're talking about putting these big stores into anything remotely like the small towns, they absolutely should not come in a big store size because they will be harmful. Not only do they...they hurt what...what it looks like. It doesn't look like a small, free, independent...the scale of the store is just overwhelming to the, you know, the characteristics of the small town. But, you know, they should consider, perhaps, looking at a vacant building in a small town and coming in with a much, much reduced size to accommodate a, maybe, a particular item that they have good prices on, you know, like paper towels and aspirin and things like that, that they can...they can sell, it's a needed goods and service, but they're not out there in active competition with those who understand the people in the towns. They know what...who their customers are, they know what their needs and wants are, and it creates...it's...it's just a much, much better level playing field for everybody.

One of the places is like Lanai City, for instance--I just have to state that one--because the people of Lanai, they need to have additional goods and services. They're so reliant, you know, on

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the...the ferry and...and the Young Brothers going in there. If something were to disrupt that from them, they would be very hard-pressed to getting, you know, basic goods and like, you know, milk and bread and eggs. And I mean, it's really a serious thing when you look at Molokai and Lanai. It's very, very important. So when you look at...the...somebody introducing the fact that we could...that they want to bring a little bigger store than what is normally there now, you would have to try to weigh the benefits of that. But you also would have to make sure that that is not the scale that is going to harm the unique flavor and character of that community. Hopefully that answers your question.

COUNCILMEMBER MOLINA: Yes. Thank you, Ms. Perreira, that more than answered my question. So you...you're in some ways implying maybe like a satellite store that basically would meet maybe the design guidelines of the small town, nothing that would stick out like a sore thumb, if you will, provided, of course, there's a lot of meeting of the minds. Because I think during the Planning Committee meetings there was talk of a...I mean, the possibility—I mean imagine like...I'll just say as an example, a Wal-Mart in Haiku or Paia. Now whether the community would, you know, accept that, that's where, you know, I think, as you implied, you'd need to have a sit down, talk story to see if this is something that's acceptable for the community.

MS. PERREIRA: Yeah. I think that the community would be up in arms against it. I really think that if you're talking about using a vacant building--

COUNCILMEMBER MOLINA: That's right. Yeah.

MS. PERREIRA: --in a town and you wanna come, they wanna come in with the design guidelines that is the flavor and character of that particular town and they're willing to go on the size that the town feels it can accommodate, you know, the free enterprise, then that's up for discussion. But to bring in these big superstores and just literally obliterate the mom and pops, no.

COUNCILMEMBER MOLINA: Yeah. Okay, thank you. Madam Chair, one quick question for--

CHAIR JOHNSON: Sure.

COUNCILMEMBER MOLINA: --Ms., Ms. Skog from MEDB.

CHAIR JOHNSON: Sure.

COUNCILMEMBER MOLINA: Thank you, Ms. Skog, for your very nice presentation and your booklet that you provided for us. I'm looking at Page 12, looking at the statistic, that's the third bullet point, 56 percent of STEM jobs require at least two years of college education and this will increase to 77 percent in the next 10 years. I'm trying to see what MEDB and other related organizations can do to help, I guess, provide the bodies that can fill this need and it has to tie into our education system. And, of course, with the budget crunch that we're in, sometimes education is generally one of the first to feel the axe, so to speak. What can your organization do

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to, I guess, avoid the axe from coming down on education because especially in the areas of math and science? And we need to provide some incentives to get our young people into teaching professions that, you know, can...can provide the skills or the base to educate others to get into the fields, the high tech fields that you have here. Can you give us some brief comment on that?

MS. UNEMORI SKOG: Sure, I'd be happy to. Thank you. One thing, before I...I make the rest of my comment, is good to keep in mind, is when you're talking about science, tech, engineering and math education, it's not just about going into particular sectors. It definitely supports a student going into those sectors, but really you're talking about some pretty basic skills that would be applicable in these days to everything from auto repair to, you know, how you function in management, or whatever. 'Cause it's about critical thinking, problem solving and all of that kind of stuff that goes along with the science, tech, engineering and math preparation. So I would hope that we as a community don't sort of narrow the opportunities that come from investing in STEM to just what one would think in astronomy or whatever the case may be. It really supports the whole thing. I think our role is really, in terms of looking at this thing, as a pipeline that you...and you have to look at it that way because in the end if you...if you have not gotten the preparation—and I'm sure many of you are aware of this and yourself as a teacher—if you...if you don't, for instance, have the proper pipeline in, let's say, math, it's so hard to make it up. I mean, if you don't have the right courses in intermediate school, you won't...you will be behind in high school, no matter what. It's possible to catch up but very difficult. So right off the bat, you're cutting off the options for careers. Whether they're gonna become a technician or a scientist, it doesn't matter, you...they're...they're behind the eight ball if we don't pay attention to that. So we've gotta look at it as a...as a continuum.

And I agree with you that sometimes education becomes vulnerable in this time, but really you're cutting off your future. It's...it's just...it's such a short time, you know. For those who are in high school right now, if the...some of the predictions about our economic picture hold out, they're gonna be in the workforce before this thing is over. And we can't...we've gotta arm them with every possible chance of succeeding in spite of where our economy is at. One of the examples is the Maui High School automotive program that, you know, you all supported. It's...it's...it's great and I think the exciting thing is it's...it's starting to do what we had hoped which is sort of branch out the thinking of those who are participating in it because they...we've now incorporated hybrid cars into the mix. So that's like a whole different realm in terms of auto, you know, automobiles and automobile repair. You're talking, you know, energy and batteries of a different type, et cetera. So some of these kids may never go on to, you know, get a degree or, you know, they may just go on for a certificate or whatever the case may be, but they need the skill. They need this skill that's coming out of being trained in really what is still a STEM area. I don't know if that answers your...

COUNCILMEMBER MOLINA: Oh, it does and I'm glad that you mentioned, used that example because now the old myth about the...the...the proverbial grease monkey on the car, you have to be a much more complete person now with cars being so computerized and now with using

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alternative energies and so forth, hybrids. And so it...it's not just being the old grease monkey anymore, you have to be very, very much more of a complete person. Anyway, thank you, Madam Chair. Thank you, Ms. Skog.

CHAIR JOHNSON: Thank you very much. And I can attest to that, Mr. Molina, because when I got the Honda Insight, it's very difficult to find people that were skilled on working on that type of car. And I remember the people were going, well, they were looking at the manual when they were actually doing some of the testing. You know, so it's very interesting, but I think we sometimes don't think along those lines. Anyway, Member Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. I have two questions for different panelists. First question is for Ms. Skog. When you were talking to us, you mentioned that a number of about, close to 2,000 jobs in high tech and you mentioned that at this time about 20 percent of them are from folks who have a high school diploma from Hawaii. Do you see that growing every year? Is there a trend?

MS. UNEMORI SKOG: Yes. We are seeing a trend ever since we started to track it back from 1999. In fact, in 1999 the statistic was one percent. So we have definitely made inroads. It hasn't been easy. It means, you know, really recruiting and drawing the interest of students that might not have gone into these areas and making them aware of the opportunities and that this is interesting. It's not geeky. You can find your niche in it, you know, et cetera. You know, much like we're trying to do with Educate the Educators program under the Farm Bureau, it...a lot of it is awareness and getting rid of these misperceptions of what it means to be in the...the STEM area. So it's a lot of fun, but it...it...it's a lot of work. It...it's a lot of work in recruitment and in coming up with curriculum that is in engaging, that is pertinent and relevant to what is happening in the workforce today and in...in companies today, so...

COUNCILMEMBER BAISA: Thank you very much. That's good to hear. The other question I have is for Ms. Perreira. Ms. Perreira, I've often heard you speak eloquently about small towns, and I know that your...your life is around small towns. How is a small town defined? You know, a small town in various areas might have a total different definition. How...how do you do that?

MS. PERREIRA: Well, very clearly, it's not a one size fits all. There are different components that constitutes a small town and it's different for a particular...different towns or different regions in...in like Maui County, for example. You can have small towns that have very small number of people living there. You can have a small town look and feel that's still small town that has a lot more people. Classic example would be small town Paia versus Wailuku. Wailuku's a small town too, it's not a city, but it's very different. There are...when we participated in the General Plan, we developed a set of definitions. And I'm very happy to share that if anybody wants to. They just need to contact our office for that. And that...that...that will give them some idea when we're talking about small towns 'cause I know, I've heard people come up and say, small towns to you folks on this...this particular area and that particular area and it's not necessarily the case. You're talking like apples and oranges sometimes because there are different uses that

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constitute small towns. But small town America for the most part is having the mixed use in a small town where you have businesses and residents co-existing, where you have public facilities and functions that take place in a...in a small town. And it's also defined these days by a new urbanism concept which is like, you know, the...the five-minute walk and the concentric zones, from what is more intensified land use to what is less dense the further you go out from the...from 5 minutes, 10 minutes, 15 minutes.

COUNCILMEMBER BAISA: So on Maui...on Maui you wouldn't consider Kahului a small town?

MS. PERREIRA: I think Kahului right now has an urban feel more than a small town. However, there is possibilities for Kahului if they were to develop a small town concept around like the re...re-establishment of the port town of Kahului--

COUNCILMEMBER BAISA: I see. I see.

MS. PERREIRA: --around the harbor and coalesce a multi-use, a development that fit in and incorporated the residences coming back into port town Kahului. So there's possibilities there. But for our program, generally speaking, historic fabric is very significant to the traditional small town. So hopefully not everybody bulldozed all of theirs in the '50s.

COUNCILMEMBER BAISA: *(Laughs)* Thank you very much. That's a very interesting thing to think about, what is considered a small town. Thank you.

CHAIR JOHNSON: Thank you very much. And I just wanna let the Members know, I'm gonna ask, because other Members have commitments, but we're gonna wrap this up around 4:30 so that doesn't leave much time. I would...I would ask, and if you will indulge me, I wanna find out one burning thing from Milton Arakawa. And that is, last time, Milton, we got a lot of questions about permitting. And I see now you have a lot of our permits. I think there was a...a website where some of the permits are now online. And I thought it's really important to share that information because that was the single biggest complaint that all of us have heard is the permitting. So can you briefly address that?

MR. ARAKAWA: Thank you, Madam Chair. Actually I'm probably the worst guy to address—I'm kind of a computer illiterate. I have to confess there. But I know that we try to make the permitting process more convenient to everyone who does apply, and it is online. And the information can be accessed on the County of Maui website. So basically if you...you apply for a permit, you can access the status, you know, online. And you can...it can tell you, from the comfort of your own computer, which agency has reviewed it, where the status would be and...and so on and so forth. So trying to make the permitting process a lot easier for everyone concerned.

CHAIR JOHNSON: Have you set up any tracking mechanism? Because I know that we're maybe—I know you're talking about high tech but...or that you're not, you know, too savvy—but I've

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often seen document tracking with barcodes. Are...are we at that point where, you know, we're that sophisticated yet, or no?

MR. ARAKAWA: As far as document tracking, you know, of course you know, we basically...we do keep track of things that come in. I don't think we've gotten to the point where we have barcodes at this point, though.

CHAIR JOHNSON: Yeah, and...and it's...it's one of the thoughts that I've often had about ability to track a piece of paper or a document that if somehow just like the FedEx guys go and they scan it in, at least you know where it should be located. . . .*(chuckle)*. . . And...and that's one of the difficulties I find in trying to track permits for individuals who call my office for assistance. Nobody knows where it is and if it's in a particular department, that's where we're having trouble sometimes finding it, and then people have to go physically searching and usually it's on the bottom of a pile of papers. So I...I...I just, you know, I sense that there is frustration in the community about not knowing—and...and I'll give you one example and it's not in your Department—but somebody was trying to get a wall permit at a very small wall. And...in a year and a half they have received no response whatsoever from anybody in the County, and so they went ahead and they did, you know, they...they did it with, I guess, whatever was permitted. This wall was a little bit higher. And I told the person, I said, well, just ask for your money back then. . . .*(chuckles)*. . . for the permit. But to me, that was kind of an unreasonable length of time for what should have been something relatively simple. So, I know you don't have control over it. But...Member Kaho'ohalahala, you had additional question?

VICE-CHAIR KAHO'OHALAHALA: Yeah. I decided that I'm gonna forego asking. *(Chuckles)* But perhaps we'll be able to...to communicate and then try to put some of those ideas out. But I do have one question that, before we leave, I would like to ask of the--

CHAIR JOHNSON: Certainly.

VICE-CHAIR KAHO'OHALAHALA: --Director of Public Works, only because you presented us with the legislation that identifies funding for this stimulus. What I need to understand is that—and...and you may not know the answer, but I think it would be important for this Council to know—is that what is going to be the...the procedures in terms of prioritizing these projects? Because right now they're lump sum items and they're across the entire State of Hawaii. But like you mentioned earlier, some of the CDBG funding which would have come directly to the County is not coming directly to the County. And in that case, that would be something very easy to deal with because we have a process for dealing with CDBG. But in the other areas, what will be the County's authority and who will make the decisions in prioritizing projects? As a legislative person in the Council, it is our job to make sure that we appropriate the funding to these projects. Now my question, Madam Chair, is how are we going to clarify that and are we going to wait till after that happens? Or are we gonna take a position, a proactive position to anticipate that it is part of our responsibility as the legislative arm to make some of those decisions about appropriating funds that may be coming in these packages. And I just want us to

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be prepared because there's not a real clear path here that's been presented to us, although there's a...a bill and there's amounts of money. So can you comment on that and what you think is going to occur so that we might take our responsibility as a...as a Council?

MR. ARAKAWA: Thank you, Councilmember Kaho'ohalahala. That's...that's gonna be a hard question to answer. I know that we've been talking with Fred Pablo as well as the Mayor and Managing Director about including some of the assumed monies that we hope we can get as part of the economic stimulus as part of the Fiscal Year '10 Budget, which is gonna be transmitted to the Council soon. But as I mentioned in my presentation, a lot of the details as to who's gonna be divvying up the money and exactly how much the County will receive are still up in the air at...at this point. I know the various agencies involved have been working with...the agencies that will be granting the funding or making the decisions. But I...I cannot really give you a real clear answer at this point, except to say that we're just trying to make or do the best we can with the information that we have. And as the Budget is presented to the Council and during the Budget process, I...I think it's...the picture's gonna get a lot clearer.

VICE-CHAIR KAHO'OHALAHALA: Okay. And, Madam Chair, while...while he's saying that that's going to be the process, I just want to be sure that as the legislative branch of government, that we not lose our responsibility to make appropriations for. . . *(end of tape, change to Tape 3B)* . . .these projects would come to us recommended in the manner in which the...the Administration might want, leaving out any ability for the Council to also be involved in prioritizing some of those projects ourselves. And so we should have an opportunity to, hopefully, to be talking about what those projects may be and what may be the Administration's priorities for them, and then define what is the Council's responsibility in terms of making appropriations to those projects. So I would ask that we as the Economic Development Committee take up some of those issues and put them on an item so that we can address them ahead of the time and working closely with the Administration to be sure that it's clear what each of our roles will be in...in this process.

CHAIR JOHNSON: I...I think that's very good. And I think that the Budget Committee chaired by Mr. Pontanilla is probably going to be, because we're entering that process, they're gonna play a key role. The...the other, I guess, the other wrinkle is that if it takes a while, you know, perhaps even beyond what our decision-making period is, it's gonna be very difficult if we don't even know what's coming to us and what we're eligible for. They may have to...the Administration may actually have to return to us with bills for Budget amendments shortly after we pass our Budget. So, I mean, and that's an opportunity where, I think, we would have a chance to at least say yes or whatever. But I understand your point is that get ahead of the curve and say, how can we be prepared to seek monies or express our opinion as legislators as to what we should be seeking, what are the priorities within our various communities 'cause we have a lot of them. And even if it's roadway projects, I noticed there was quite a bit of money in there for highway infrastructure, roadway infrastructure. If we only have one paving company on Maui, how can we realistically get that? So I...I think your point is well-taken though.

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VICE-CHAIR KAHO'OHALAHALA: And then I...I know we may be working with the...the Budget Chair to...to perhaps, but I don't want that to get lost--

CHAIR JOHNSON: No.

VICE-CHAIR KAHO'OHALAHALA: --in the...the shuffle, so to speak.

COUNCILMEMBER PONTANILLA: Chair.

VICE-CHAIR KAHO'OHALAHALA: And just as an example, the State Legislature is not going to be in session, you know, when they're pau. So they will have no authority or ability to be making any kinds of appropriations when they're out of session. On the other hand, the Council is not out of session. We're here year round. So our ability to make decisions should not be undermined or bypassed because we are going to be here on a daily basis to make those kinds of decisions. So I want to ensure that we never forfeit the Council's ability to make some of those hard choices, so...

CHAIR JOHNSON: Thank you very much. Member Pontanilla?

COUNCILMEMBER PONTANILLA: Thank you, Chairman. Let me respond to Mr. Kaho'ohalahala's concern. I...I've been working with, you know, my staff as well as the Administration in regards to this stimulus package. We've created a blanket item in Budget and Finance so that whenever we have...the ability to...to ask for funding that, you know, we don't delay the process. Right now we know it takes six to eight weeks to do a Budget amendment. And what we're trying to do is trying to shorten the period, maybe one week, two week at the most. So we're still in conversation with the Administration in regards to how this whole thing is gonna be playing out. But we do have a blanket item to receive any Budget amendment that comes through the stimulus package. The other thing that I'd like to...to mention is that the...the Mayor has given us a list of 85 projects, \$319 million. What's not in there is the...the priorities as far as the different programs. Now that we got some information regarding how much money the State will be receiving, hopefully that, based on the numbers that I see here, you know, those numbers can be transposed into the different programs the Mayor has submitted to us. And hopefully, there is a priority list that, you know, we can work as far as the County's...County goes. So, that's my information to you in regards to the stimulus package and what we've done as far the Budget and Finance Committee.

But coming back to this panel, and I just wanna thank everybody for being here, you know. One of the things that I would like to ask Ms. Perreira in regards to big box, you know, I understand that we have many in Kahului. And, you know, as you mentioned, you know, Kahului is an urban area, you know, right now. One...one of the issues that I hear amongst the senior citizens that, you know, although we don't want big box but, you know, in...in regards to their financial situation because they're on fixed income, they look at, you know, the Wal-Marts, the K-Marts, Costco as a...as a means to...to purchase things at a real discounted rate. The other thing also is

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that when...when you look at Lanai and Molokai, I...I know some of the businesses on Molokai, they purchase their goods from a Costco or...or maybe even...Valley Isle Produce—I...I consider Valley Isle Produce as a big box—you know, to...to support their businesses on Molokai. Of course, Lanai they come to Wal-Mart or K-Mart, they buy bulk, they take it back home in regards to saving money, yeah? So, you know, there's good and bad regarding big box. It provides employment, you know, they provide taxes to this County. So, that's something that, you know, we all need to consider when this bill comes up, yeah? I just wanted to mention that.

The other thing that I had was for Mr. Watanabe--

MS. PERREIRA: Can I respond briefly?

COUNCILMEMBER PONTANILLA: Sure.

MS. PERREIRA: What you said is all items that we have considered. There are unique circumstances with Lanai, we recognize, and Molokai. And we do know and feel for our seniors on fixed incomes. And that's why we recognize that there's always going to be a need for that kind of buy-in-bulk where it's affordable.

COUNCILMEMBER PONTANILLA: Uh-huh.

MS. PERREIRA: But what we don't want to see is these types of stores popping up all over our island that's supposed to have a vision of a small, a small town--

COUNCILMEMBER PONTANILLA: No, no, I understand that. Yeah. I understand that.

MS. PERREIRA: --a series of small towns. And that's why I proposed the other part. But we do recognize that.

COUNCILMEMBER PONTANILLA: Yeah. I, you know, and the reason why I mentioned Kahului, you know--

MS. PERREIRA: Yes.

COUNCILMEMBER PONTANILLA: --they're all in Kahului. And, I don't know, maybe there's a possibility in Lahaina because Lahaina I consider is almost urban, yeah?

MS. PERREIRA: Thank you.

COUNCILMEMBER PONTANILLA: Thank you. For Mr. Watanabe, I know you shared with all of us...seven proposals that were supposed to have gone to the Legislature, you know, this coming session. How many of those bills are still alive that maybe as a Council we can support you?

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MR. WATANABE: Most of 'em are still alive. The...the CIP for the irrigation systems, that is still alive. The value added one is still alive. The PUC one, I believe, is still alive. It's still making its way through...the language has changed somewhat. As you...as you know, legislation always changes. But those are still alive. We...for the Hawaii Farm Bureau package that, you know, we gave you a copy of, most of those bills are still proceeding. Even the drought mitigation is still alive. Oh, I stand corrected. But anyway, those are the kinds of things I think, you know, as Hawaii Farm Bureau, we feel is...is...was our priority package and things we feel, we as an industry, need across the State to keep agriculture viable. And I wanna thank you for support...for your support of our package.

COUNCILMEMBER PONTANILLA: Thank you. You...you mentioned about the slaughterhouse on Molokai and the possibility of Young Brothers not going directly to Molokai. Do you do any shipment of cattle or hogs or livestock to Molokai to utilize that slaughterhouse?

MR. WATANABE: This is the...one industry I...I...I want to, as Farm Bureau Executive Director, get to understand more. And that's why I did attend the Maui Cattlemen's Association meeting last evening with Young Brothers. The...the Molokai slaughterhouse, I did speak to Council Chair Mateo about it and I did speak with Deidre about it also. What we were concerned with is, again, here the County has invested in a state-of-the-art facility that is not being utilized with the shutdown of Molokai Ranch. There are some smaller ranchers on...on Maui who want to provide animals to that island so that you can, again, to help the Molokai economy. And that was the discussion with Young Brothers. It...the problem is right now the proposal by Young Brothers, like I said, is to discontinue that direct run. So the cattle would...from Maui would have to be shipped to Oahu, housed probably, you know, whatever...so many days, would have to be off-loaded in the barge. And that additional cost, the...the ranchers could not absorb. And so, you know, it would be a losing proposition. So, I understand where the Maui Cattlemen Association is coming. I would support it. I think it's, again, when you talk about sustainability, self-sufficiency, that's a key route. And in our discussions with Young Brothers, they agreed to look, take a look at it again and try to find a...a solution to it.

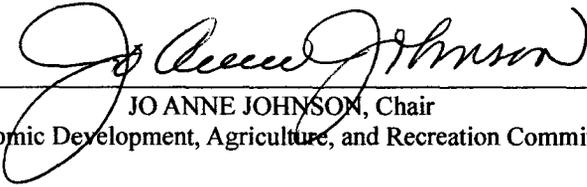
COUNCILMEMBER PONTANILLA: Good. Thank you. At least taking some positive action. Yeah, we spent a lot of money on the Molokai Slaughterhouse. And it took, god, about a decade to complete. Madam Chairman, that's all the question that I have. And I just wanna thank the panel.

CHAIR JOHNSON: Thank you very much. Members, we've...we've run a little bit overtime. One of our Members already had to leave. But I wanna thank the panelists. I think that you saw last time, you see this time, we have such a broad spectrum of many different economic engines. They're all chugging along. Things are not as bleak as we may often feel. And I...I wanna just say one thing for our small towns. And even sometimes I consider Lahaina sort of a small town. It...it has that feel. They're crowded. The tourists are coming. There's no goods on the shelves at Safeway when...when the crowds come in. The traffic is backing up on Honoapiilani Highway. I've heard reports that Paia, you know, the people are coming. It's really

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APPROVED:



JO ANNE JOHNSON, Chair
Economic Development, Agriculture, and Recreation Committee

ear:min:090305

Transcribed by: Reinette Kutz

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CERTIFICATE

I, Reinette Kutz, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED this 27th day of March 2009, in Wailuku, Hawaii.


Reinette L. Kutz